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## HONGKONG'S INDUSTRIES — 1949/50

Signs of flagging in the growth of manufacturing industry in Hongkong have yet to declare themselves. Indeed during last year registered employment in factories was 36% up on the preceding year; the total of employees of this category at the end of March, 1950, had reached 89,512 of which, 33,286 were women. During subsequent months there is believed to have been a certain decrease in the total of registered employees. On the other hand the consistent increase in the industrial consumption of electricity indicates that manufacturing production has continued to expand. The consumption by "bulk consumers" indeed rose 1.25% in May and a considerable number of industrial firms during the past three months have raised their consumption by over 5%.

In a recent survey, the Hongkong Labour Department indicate that the shipbuilding and repair industry, with a labour in force of 9,700, remains the largest employer in the Colony but the various phases and processes in the cotton, woollen and silk textiles industries accounted for 24,000 operatives, with rubber-wares and printing coming next in order of size. As regards actual growth, first place is held by the cotton spinners, followed by the printing industry. The comparative table below of the deployment of labour in the various manufacturing processes shows in detail the relative growth in a number of industries achieved at the end of March 1949 and 1950:

Industries	No. of Fac-	31.3.49 No. of Fac-	31.3.50 No. of Fac-	31.3.50 Employees
Enamelled Hollow ware	5	1,500	16	3,500
Iron Ore	—	—	—	1,500
Plastics	3	42	8	230
Printing	96	3,200	206	5,100
Rubber Wares	47	4,200	41	5,800
Shipbuilding and Repairs	19	8,900	18	9,700
Vacuum Flasks	3	280	5	590
Textiles				
Cotton Spinning	7	2,500	13	7,210
Weaving	147	5,200	120	7,000
Knitting	183	5,600	192	7,400
Garment making	26	810	31	1,500
Tapes	4	60	11	240
Woollen Yarn	—	—	2	350
Dyeing and Finishing	23	350	30	700
<b>Totals</b>	<b>563</b>	<b>32,622</b>	<b>693</b>	<b>50,820</b>

### Siting of Factories

One of the numerous problems, which had to be faced in the development of many of these industries, was that in the initial post-war years suitable premises were virtually non-existent and buildings designed for domestic or commercial purposes had to be adapted. The resulting makeshift factory accommodation was often far below technical, hygienic and other modern standards. The development for factory purposes of areas on the edge of Kowloon (at To Kwa Wan and Cheung Sha Wan) and in the King's Road area on Hongkong Island, was a step in setting up the industrial zones, where suitable premises could be erected. In the New Territories similar development has taken place at Tsun Wan and elsewhere, including the islands of Cheung Chau and Ping Chau. An indication of the trend towards the localisation of the new and growing industries in more suitable localities throughout the Colony is the fact that there are 119 recently built factories in Hongkong and Kowloon and 72 in the New Territories. (30 of which are at Tsun Wan).

The following table shows the localisation of factory building elsewhere within Hongkong and Kowloon.

### Factory Buildings erected in Hongkong and Kowloon (By Districts).

Year	King's Road District	To Kwa Wan	Cheung Sha Wan	Other Districts
Post-War to end of 1947	2	3	9	8
1948	2	7	16	7
1949	4	14	13	10
1950—7 months (some building)	3	5	10	6
<b>Total</b>	<b>11</b>	<b>29</b>	<b>48</b>	<b>31</b>

Further indications of the trend towards the modernisation of factory and workshop premises is that during 1949/50 225 sets of plans for new building or reconstruction were referred to the Labour Department for perusal, of which 13% were proposed for the New Territories.

### Control of Working Conditions

Meanwhile attempts to improve working conditions and to encourage the shift away from residential areas

have proceeded; in this connection arrangements for the closure of 86 factories were made during 1949/50. These measures were taken for a variety of reasons such as the hazards of the processes, the nuisance created, poor lighting, ventilation or other factors affecting the health of the workers. These measures were enforced by means of the control provided by the regulations for the registration of factories under the Factory and Workshop Ordinance No. 18 of 1937. During the past year 525 applications for registration were received, of which 57 were turned down, 205 registration certificates were cancelled and 313 permits were in fact issued. A concomitant of this procedure is afforded by the activities of the Inspectorate of Factories, which made 12,000 visits during the year. These inspections cover a wide field and 625 took place at night to ensure that regard was paid to the prohibition of the employment of women during the "closed" hours; i.e. 8 p.m. to 7 a.m. Among the other aspects of working conditions watched are the employment of young people between the ages of 14 and 16, circumstances attendant on accidents, the enforcement of health and safety regulations, quite apart from the routine of investigation into complaints and the payment of compensation and wages during incapacitation. During the course of these visits the inspectors advise on technical matters such as the spacing of machinery, lighting and the use of protective guards on machines.

A yardstick of safety conditions is that there were 772 industrial accidents in the Colony during 1949/50, of which 44 were fatal. This is an increase of 171 over the preceding year, (during which period 17 were fatal). In fact only 510 of these accidents took place in factories and workshops, and although these figures show an aggregate increase, the ratio of accidents has been reduced from about 7.6 to 5.5 per 1000 workers. The state of health of many of the employees leaves much to be desired for reasons often beyond the control of the employer. For instance at one factory 210 employees were "X" rayed and no less than 4 cases of tuberculosis came to light.



### Growth of Industries

The shortcomings of many of the workshops are a legacy of abnormally rapid growth, at a time when means in terms of buildings and equipment were severely limited. The supervision given is directed primarily to a levelling up of standards of accommodation, working conditions and so forth to reasonable minima. This is not an always easily attained objective, when account is taken of the optimistic basis, on which many of the businesses were started, and on the practices, which obtain locally. The so called "growth" industries are another matter. Conditions here are closely related to the needs of efficiency and factories have been built with an eye to modern requirements of hygiene, safety etc.

### Cotton and Woollen Textiles

The spinning and weaving of cotton and woollen textiles are the leading developing industries and conform closely to modern practice as regards technical installations and working conditions. Their growth has been remarkable and has not yet reached finality. The cotton spinning branch alone has 13 modern mills, with a capacity of 179,934 spindles, which is to be increased shortly to 207,118 spindles. The largest of these mills operates 37,408 spindles. In the case of the cotton weaving branch, the trend, under the stimulus of several firms from Shanghai, and some local manufacturers has been towards large units and the elimination of the small plants — some perhaps with as few as a dozen obsolete looms. During 1949/50, 27 small concerns were closed down whereas the labour force for the weaving industry rose from 1,800 to 7,000 within the year. Another significant development has been the integration by four firms of spinning with the weaving of cotton cloth. The equipment used is of the most up-to-date British, American and Japanese type and includes 802 fast automatic looms, with the prospect of the installation of 774 more automatic looms, and 390 of the non-automatic variety. One particular firm, the Nanyang Cotton Mills, has already 222 British Northrop automatic looms in operation and will shortly have a capacity of 500 of this type of loom.

Two new branches of the textile industry have now been established. The first is in connection with the spinning of woollen yarn, for which two large factories were completed recently. These factories are equipped with modern plant — one is a branch of a company from North China — and employ 350 operatives. The other industry is concerned in the production of needle-point tapestry. This particular company is financed by American interests from North China, who have taken over premises at Taipo, in the New Territories, where skilled operatives are being trained as supervisors. The intention is to start a cottage industry, which will give employment to 2000 women and girls in the area between Fanling and Shatin.

### Printing Trades

The next largest growth industry is concerned with printing trades. The registered labour force, as will be seen from the tabulation, has nearly doubled within a year and the number of printing shops has risen from 96 to 206. This expansion is attributed to special circumstances. A year ago, it was clear to the official labour authorities and related departments that a term had to be set to the haphazard way in which small shops, with fire and other risks, had sprung up after the war. By exhortation and other means, working conditions were improved and suitable premises were found in 160 cases; the future of 40 more shops is, however, in doubt.

### Miscellaneous Industries

To all intents and purposes, the installation of a paper mill at Kam Tin in the New Territories represents an entirely new industry on modern lines. The paper making process used before the war was laborious and inferior but the new factory will produce 50 tons a month of good class wrapping-paper.

As regards mining activity, the iron ore mines at Ma On Shan were reopened a year ago and now employ 1,500 workers. The daily output is of between 700-800 tons of ore, of which 75% is exported to Japan.

### "Levelling Up" Conditions

Hongkong's industries have packed into five years an evolutionary process, which, in many another area of comparable size, would have taken ten times as long. Under the influence of the authorities after the reoccupation industrialists, large and small, were encouraged to produce at a time when the need for goods was great but shortages of constructional materials, accommodation and machinery — not excluding technical assistance — were also considerable. It was a case of "cutting one's suit according to one's cloth" and using whatever buildings, machinery and labour were to hand. Inevitably the impact of sudden industrialisation in a port and commercial centre — emerging recently from wartime stagnation — resulted in the best modern conditions of working, factory "layout," safety devices etc., being sometimes overlooked. Nor, indeed, was modern legislation for the benefit of the employee always fully appreciated. On the other hand experienced observers from more advanced industrial communities have been able both to admire what has been achieved in the best factories and to point out that the less satisfactory units are little, if at all, worse than those conditions with which they are familiar. The best yardstick of what has been achieved in so short a time is that a recent estimate of the output of the sixty major industries was put at £20 million per annum. There is still much to be done in levelling up working conditions, but it is certain that this is proceeding as rapidly as circumstances will permit.

## Hongkong Industrial Reports

### Factory Registrations

Factories and workshops registered and recorded by the HK. Dept. of Labour as at July 31, 1950, showed a total of 1,154 of which 329 were on the Island and 825 in Kowloon and the New Territories. Applications under consideration amounted to 321, those on the Island amounting to 146 and those in Kowloon and N.T. to 175.

During July, 28 applications were received (7 in HK. and 21 in K. & N.T.), 13 registration certificates were cancelled (7 and 6), 2 applications were refused (1 in HK for which no formal application was received and 1 in K.), and 53 registration certificates were issued (14 and 39).

These bring the figures handled from January 1 to July 31 to 309 applications received (104 and 205), 90 registration certificates cancelled (36 and 54), 31 applications refused, 12 being for premises for which no formal application was made (13 in HK—6 without formal application, and 18 in Kowloon and N.T.—6 without formal application), and 253 registration certificates issued (81 and 172).

Among the factories and workshops recorded and registered during July were the following:—

	M.	F.	Total
2 Knitting .....	46	92	138
3 Weaving (Cotton) ...	55	82	137
2 Tin Cans .....	20	35	55
7 Printing .....	52	2	54
3 Metal Wares .....	49	4	53
1 Feathers .....	20	10	30
1 Hosiery .....	4	20	24
1 Dyeing .....	22	—	22
1 Shoes .....	19	—	19
1 Porcelain Wares .....	16	—	16
1 Thread .....	7	9	16
2 Laundry .....	14	1	15
1 Electric Bulbs .....	—	15	15
1 Engineering .....	13	—	13
1 Gypsum Powder .....	12	12	24
1 Chalk (School) .....	7	—	7
29	356	270	626

Four factories and workshops changed their name during July.

The 13 factories and workshops that closed in July comprised 4 Printing, 1 Construction, 1 Wood Work & Decorator, 1 Chocolate, 1 Confectionery, 1 Steel Utensils, 2 Machine, 1 Weaving and 1 Knitting.

### Industrial Accidents

During July 1950, 59 cases of injuries and industrial accidents involving 67 persons were reported, 11 of which were fatal; 40 cases (6 fatal) occurred in registered factories. The causes were: machinery 10 (all in registered factories, 1 fatal), 15 falls (6 in registered factories), 22 falling objects (6 fatal) (11 (5 fatal) in registered factories), 7 burns (4 fatal) (3 in reg. factories), 3 scalds (2) 10 other causes (8).



### Cotton Knitting Factories

With an increase in orders from abroad, chiefly the United Kingdom Canada and Pakistan, for locally manufactured cotton goods, as well as purchases by Taiwan and China, the industry has been kept busy, and prospects seem bright for increased activity in the near future. A difficulty that needs to be faced, however, is the upward tendency in the costs of manufacture; the price of cotton yarn in particular is still rising and makes it increasingly hard for the manufacturers to meet the rates offered by would-be buyers.

### Cotton Yarn Mills

Cotton yarn mills have also been kept fully employed of late with orders from Malaya and Indonesia as well as Pakistan. Deliveries in August are estimated to reach 150,000 bales mainly in 20's; for September delivery the amount will be between 6/7,000 bales and orders have also been received for November delivery.

### RUBBER SHOE FACTORY CLOSURE

Something of a shock was experienced in Hongkong with the sudden closure of one of the large rubber shoe factories. For some time it has been known

that all was not well with this branch of industry and that various small factories had been obliged to close down, but so far it had not been anticipated that one of the more important would have to follow suit.

Following the securing of a large order from the United Kingdom for rubber shoes, Mr. Greenwood, the Colony's representative in London, gave warning that if the British market was to be retained not only should the cost of the rubber shoes be kept to the lowest possible limit, but that the standard of the goods must be maintained in order to meet the keen competition to be expected from the U.K. manufacturers. Unfortunately these warnings have been unavailing and it appears that the British market for rubber shoes may have been lost to Hongkong.

The blame for this unhappy state of affairs cannot altogether be laid at the door of the local manufacturer. World events have affected the Colony to a considerable extent and no one could have foreseen, for example, that the cost of rubber would rise from 37 cents per pound to HK\$1.50, thereby increasing the difficulty of keeping costs down and maintaining the quality of the shoes.

The blow to the 1,400 workers normally employed in the factory is severe. Unemployment in this overcrowded Colony can become a disaster and it is to be hoped that a way will be found of providing even partial employment, such as would be obtained if the suggestion were followed of operating at least one section of the factory with the workers employed by rotation.

From the figures given below it will be seen that with the completion of the deliveries to the U.K., the largest purchaser of locally-made rubber shoes, exports to all countries requiring either an Imperial preference certificate or a certificate of origin fell in July to only 205,000 pairs, the lowest quantity exported so far this year and less than the monthly average for 1949:—

1949	Pairs	\$
Monthly average ....	522,869	1,116,581
1950		
January .....	951,753	1,972,990
February .....	607,537	1,317,143
March .....	1,102,062	2,312,984
April .....	1,071,961	2,052,041
May .....	499,551	1,233,932
June .....	208,801	562,877
July .....	205,054	582,165

## Economic Transformation of Shanghai

(By a Shanghai City Government Official)

Shanghai has occupied a pre-eminent position in China as an industrial and commercial centre. It has been a metropolis with more than 12,000 factories and over 100,000 shops and trading companies employing over 900,000 of its 5,000,000 population.

This old Shanghai was essentially the creation of imperialism, feudalism and bureaucratic capitalism. It was used as a base for their aggressive penetration and control of China's economy. The Concessions were a lair for landlords, bureaucrats and compradors. These factors gave Shanghai its supremely semi-colonial character and made it notoriously a consuming centre with a large number of luxury hotels, restaurants, tailoring establishments, cabarets, gambling dens, and houses of ill-repute. It was a place of glaring contrasts between the rich and poor. Such an abnormal city could flourish with all its contradictions only in a semi-colonial and semi-feudal society.

On the establishment of the people's government in Shanghai, great changes were initiated in every sphere of its economic life. First and foremost, the big bureaucratic capitalist enterprises, banks and factories were taken over. Under the KMT, they had been used as means of speculation. Under the people's control they have become powerful factors for production and rehabilitation of the city's economy.

Speculative activities soon received a mortal blow. By June 1949, gold, silver and U.S. dollars had been brought under control and prevented from affecting commodity prices. Speculation in commodities also had to be dealt with, as this was also closely

connected with all fluctuations in commodity prices. Since the liberation, Shanghai has experienced two periods of price fluctuations. The first occasion was in June and July 1949, and the second in October and November of the same year. Both price runs, however, were successfully curbed by the people's government, and in the latter case a serious blow was dealt against the speculators who had no faith in the people's currency. Instead of being the usual source of profiteering, hoarded goods became a source of embarrassment and the speculators suffered heavy losses. Since then, the number of concerns engaged in speculation has been gradually reduced. For instance, compared with pre-liberation days, the number of cotton-cloth firms has been reduced by 54 per cent, cotton yarn firms by 56 per cent, rice shops by 72 per cent and drug-stores by 28 per cent.

To the citizens of Shanghai, long used to inflation, price stability was something of a miracle. But this "miracle" appeared after the liberation when the people's government provided the city with adequate supplies of staple commodities at reasonable prices. Commodity prices became still more stable when the centralized management of the nation's finance and economy was introduced on March 3, 1950. All this brought about a radical change in the way Shanghai residents spent their money. In the past, they would lose no time in exchanging currency notes for commodities, but now, since the value of the people's currency has been fixed and there is no need for hoarding, they do not need to rush to

buy goods other than those desired for immediate consumption.

The food problem, from which Shanghai's citizens suffered acutely in pre-liberation years, has also been solved. Food panics and shortages are now a thing of the past. Since the latter half of February this year, a result of the government's vigorous effort in organizing the supply of grain, Shanghai has been adequately stocked with food at a reasonably cheap price.

Shanghai, under the KMT, used to import an enormous quantity of rice, but never solved its food problems. The people's government has not imported a grain of foreign rice, yet the food problem has been solved. This success has been achieved because, except for the very few dishonest rice-merchants who indulge in dreams of a return of the old days, the citizens of Shanghai have been enthusiastic supporters of the government's food policy.

### Painful Transition

It was not to be expected that the great transformation brought about in Shanghai and other cities under the urge of the liberation should have been entirely painless. Shanghai, however, as the main base of the KMT in China was the most deeply affected by them and so the process of eradicating their influence here has been more painful than elsewhere.

One transitional difficulty has been the slack state of the commodity market. This, in turn, has caused the overstocking of such goods as cotton and wool yarn, cigarettes, matches, cement and flour, and thus discouraged production of these lines. This diffi-



culty in selling goods and the consequent local surplus of goods caused the market prices of certain commodities to fall below the costs of production. For instance, the cost of production of a case of cigarettes is \$3,500,000 in people's currency, while the market price is \$3,250,000, which amounts to a loss of \$250,000 per case. In April, a bale of 20's yarn costing \$5,356,000 could only realize \$4,870,000 on the market, representing a loss of \$486,000 per bale. This situation, together with other causes, has put quite a number of industrialists into debt and some had to close down altogether.

It must, however, be realized that the present market depression in Shanghai is a phenomenon left behind by the governments of the past. As a result of the prolonged exploitation, the purchasing power of the population was reduced to a minimum. Finally, the inflation policy followed by the KMT drained away the last resources of the people.

It must also be understood that the period of inflation and violent price fluctuations engendered a false purchasing power. The people immediately converted their earnings into commodities largely for speculative purposes and this gave the misleading impression of good business. Since the inflation and violent price fluctuations have ended, this false purchasing power inevitably also disappeared, and business declined to that extent.

There is still another reason to account for Shanghai's pseudo-prosperity in pre-liberation days. The imperialists, compradores, bureaucrats, landlords and speculators, who made Shanghai their special paradise, disposed of a super-purchasing power for luxury goods. With the collapse of this class of big consumers, this special purchasing power has also vanished, with the result that the trade of the high-class restaurants, hotels, and other luxury industries has steadily declined. Over 200 of Shanghai's 700-odd restaurants have closed down and 166 of the 177 dealers in gold and silver ornaments

have either gone out of business or taken up other occupations.

There is thus an inevitable depression in the trade in luxury goods and services, but this is a natural and necessary phenomenon in the transformation of the city.

Finally, the effects of the KMT coastal blockade and KMT aerial bombardment must also be taken into consideration.

The economic depression in Shanghai reached its climax in mid-April this year. Thereafter, because of a number of new, favourable conditions and especially those enumerated below, its commerce and industry began a new chapter of development.

#### New Developments

The first condition assisting the revival of Shanghai's enterprises is the centralization and allocation of all the orders for and processing of goods of the state institutions and state enterprises. Under such conditions, both public and private factories will no longer produce blindly. Nor will any of them be able to monopolize the market. In accordance with its productive capacity, each factory will have an allocation of the orders placed by the government or state companies. This should check any further closures of factories.

The second favourable condition is the increasing rationalization of factory management, leading to a reduction of expenditures and increases in productivity. At the beginning of May this year, the Sheng Hsin Textile Corporation, the largest privately-owned textile enterprise in Shanghai, initiated this movement.

It must be mentioned that previously too many managements devoted too much time and energy to speculative activities. Now merchants and industrialists have come to realize that the New Democracy is the only path for China and that their enterprises can be carried on in the new China only when their methods of business have been transformed in accordance with the new conditions.

The third condition is the improvement of labour-capital relations through the organization of Labour-Capital Consultative Committees. The Third Session of the Shanghai People's Representative Conference of All Circles in the latter half of April this year, initiated the establishment of these committees on a wide scale in all branches of production. They foster mutual consideration between management and labour, and the confidence and interest of the workers in improving and expanding production. They will help the capitalists, with the co-operation of the workers tide over the transitory difficulties of their enterprises.

The fourth condition is the lifting of the blockade of Shanghai following the recent liberation of the Choushan Island. This means restoring to Shanghai its shipping lanes and overseas markets.

The positive factors have already launched an upward trend in Shanghai's overall economy. In industry, the amount of cloth produced by private mills at the end of April was 38,060 bolts; by the second week in May, a fortnight later, production had increased to 42,723 bolts, a rise of 12 per cent. During May, the amount of electrical power consumed for industrial purposes steadily increased from 11,340,000 kilowatt-hours in the first week to 12,880,000 kilowatt-hours in the third, an increase of 11 per cent over the April figure and of 14 per cent over that for March. In April, 23 more steel and iron works resumed production. In May, another 29 restarted work.

Commerce, too, reflected this upward trend. If trade in December 1949 is taken as 100, then in May the sales of the leading department stores — Sincere's, Wing On, etc. — rose from a low of 42.3 in April to 99.5 in May. The amount of yarn sold outside the mills in the third week of May showed an increase of 16 per cent over the second week, and in the fourth week, an increase of 22% over the third.



## The Japanese Sheet Glass Industry

Japanese ceramic industries, such as glass, cement and chinaware industries, have a fairly long history, and many of them reached the world level of production in both quantity and quality during the ten years before the last war. Among these, the sheet glass industry saw rapid development under the favorable condition of comparatively rich deposits of raw materials in Japan and neighboring countries and also the application of new know-how and equipment imported from abroad. Besides filling the substantially large domestic demand, this industry exported its products on an extensive scale to many parts of the world in the prewar period.

Though the industry was obliged to suspend operations or undergo enterprise reorganization during the wartime on the ground that sheet glass manufacture was a peace-time industry, it has under the stimulus of a brisk demand for sheet glass for reconstruction purposes regained its activity in the postwar years, so much so that it has now become one of the important domestic and export industries.

### History of the Japanese Sheet Glass Industry

It was not until 1909 that sheet glass manufacturing was commenced in Japan, when the Amagasaki Plant, Hyogo Prefecture, of the Asahi Glass Co., Ltd. was established with private capital furnished by the late Toshiya Iwasaki (of the former Mitsubishi Zaibatsu) for the purpose of manufacturing sheet glass by the hand-blowing cylinder process introduced from Belgium.

In 1914 the company constructed in Yawata City, Fukuoka Prefecture, the Makiyama Plant, a modern plant using the most up-to-date Rubber's process of glass-blowing with machines. This was followed in 1916 by the construction of the Tsurumi Plant in Yokohama City.

However, as a result of the entry into Japan in 1918 of the Libby-Owens Sheet Glass Company (presently the Libby-Owens Ford Glass Company) with the most up-to-date technique, two large sheet glass manufacturing companies came to co-exist in Japan. The Nichibei Sheet Glass Co., Ltd. (presently the Nippon Sheet Glass Co., Ltd.) was newly established in 1918 with investment by the Libby-Owens Sheet Glass Company of its patent for the Colburn process of sheet glass manufacturing and joint capital investment by the Asahi Glass Co., Ltd. and the late Kichizaemon Sumitomo (head of the former Sumitomo Zaibatsu). A sheet glass plant using the automatic continuous drawing process, the first of its kind, was established at Futashima, Wakamatsu City, Fukuoka Prefecture.

Meanwhile, the Asahi Glass Co., Ltd., too, changed in 1932 and 1933 its production technique to the automatic continuous drawing process according to the Fourcault process and the Pittsburgh process. As a result of these innovations, five modern sheet glass plants operating after European and American patterns, were completed whereby the foundation was firmly established for Japan to become a leading sheet glass producing country of the world.

Furthermore, in 1934 the Amagasaki Plant of the Tokunaga Sheet Glass Co., Ltd. (an affiliate of the Tokunaga Glass Co., Ltd., an old-established bottle manufacturing company) started

operations. As a result of these additions, a marked increase in production was effected up to 1941 by the six plants operated by these three companies.

Soon after the outbreak of the Pacific War in 1941, the Amagasaki Plant of the Tokunaga Sheet Glass Co., Ltd. suspended operations, while the other five plants gradually curtailed their operations because of the shortage of raw materials and fuels caused by the stoppage of the importation of silica sand from French Indo-China and the difficulty of obtaining high-quality coal in Japan. The consequence was that in 1945 (the year in which the war ended) the output amounted to only 9% of the prewar peak registered in 1937.

TABLE I. JAPAN'S PRODUCTION, EXPORT AND IMPORT OF SHEET GLASS  
(In 1,000 cases 1)

Year	Production			Export	
	Asahi Glass Co.	Nippon Sheet Glass Co.	Tokunaga Sheet Glass Co.	(including trans-shipment)	Import 2
1931	1,712	607	0	2,310	483
1934	2,286	769	11	3,066	220
1937	3,385	995	225	4,605	71
1940	3,109	756	416	4,281	0
1943	1,786	877	0	2,663	0
1946	465	291	0	756	0
1947	845	344	0	1,189	34
1948	955	759	0	1,714	145
1949	1,862	969	0	2,831	225
1950	2,190*	1,280*	225*	3,695*	300*

1 Unless otherwise indicated, the statistical unit for measuring the quantity of sheet glass in Japan is a converted case, which is equal to 2m/m/ 100 sq. ft.

2 Estimated.

\* Planned estimate.

Note: The fiscal year was used for 1950 and the calendar year for all other years.

However, postwar strenuous efforts toward developing the domestic resources (silica sand, coal, etc.) as well as toward rehabilitating the plants have increased the output year after year and the current year's output is expected to reach approximately the average prewar (1935-39) level of 3,856,000 cases.

### Present Condition of the Japanese Sheet Glass Industry

**Form of production** — Existence of two large companies.—At present sheet glass manufacturing in Japan is conducted by the Asahi Glass Co., Ltd. and the Nippon Sheet Glass Co., Ltd., there being no other competing company in this country. Although the Tokunaga Sheet Glass Co., Ltd. is expected shortly to resume operations, the view is held that it is not likely to develop into a powerful competitor in this line of production. On the basis of their productive capacities and volumes of production, the relative positions in this industry of the Asahi Glass Co., Ltd. and the Nippon Sheet Glass Co., Ltd. are roughly expressed in the ratio of 6 to 4. At present the two companies are closely cooperating with each other through a joint agency called the Nippon Sheet Glass Asso-

ciation, Tokyo, but they are striving hard to improve their production technique and to strengthen their capital structure in view of the advent of free competition upon the abolition in April 1950 of the distribution control on sheet glass.

A brief description of the business conditions of the two companies follows.

**Asahi Glass Co., Ltd.**—Though this company was only recently established (in June 1950) as an independent concern with a capital stock of ¥250,000,000, it is in fact a continuation of a company of the same name established in 1907 as the first sheet glass company in Japan. During World War II the company was subjected to wartime enterprise reorganization, whereby it was amalgamated in 1944 into the Nippon Chemical Industries, Ltd. (later renamed as the Mitsubishi Chemical Industries, Ltd.), of which it was made the sheet glass manufacturing division. With the voluntary deconcentration of the Mitsubishi Chemical Industries, Ltd. in accordance with the spirit of the Zaibatsu liquidation and deconcentration programs, the division reverted to its former status as an independent company.

Nippon Chemical Industries, Ltd. ) Amalgamated into  
Asahi Glass Co., Ltd. ) the Mitsubishi  
Shinko Rayon Co., Ltd. ) Chemical Industries, Ltd.

—divided into—  
( Nippon Chemical Industries, Ltd.  
( Asahi Glass Co., Ltd.  
( Shinko Rayon Co., Ltd.



Although the substance of the company remains no different from that of the former Asahi Glass Co., Ltd., it is no longer a Zaibatsu concern affiliated with the Mitsubishi interests, as it was in the prewar period. With head office

in Tokyo, the company operates five plants, at Amagasaki (Hyogo Pref.), Makiyama (Fukushima Pref.), Tsurumi (Kanagawa Pref.), Iho (Hyogo Pref.) and Yodogawa (Osaka City), and also a research laboratory at its Tsurumi Plant.

TABLE II. OUTPUT OF THE ASAHI GLASS CO., LTD.  
in 1949 (Calendar year)

Item	Monthly capacity	Percentage of national capacity	1949 output	
			Quantity	Value
Sheet glass .....	220,000 cases	60%	1,862,000 cases	¥4,443,476,000
Soda ash .....	12,000 tons	44%	58,500 tons	976,514,000
Caustic soda .....	6,300 "	29%	22,900 "	795,181,000
Bicarbonate of soda .....	1,500 "	100%	8,100 "	384,885,000
Refractory brick .....	2,550 "	3%	19,000 "	489,228,000
Others .....				332,240,000
Total .....				7,421,522,000

Nippon Sheet Glass Co., Ltd.—This company was originally established in 1918 with a capital stock of ¥75,000,000 with joint investment by the Libby-Owens Ford Glass Company, the Sumitomo interests and the Asahi Glass Co., Ltd. For the same reason as in the case of the Mitsubishi-held shares of the Asahi Glass Co., Ltd., the company's shares held by Sumitomo and

the Asahi Glass Co. were transferred to the employees and officers of the company and local residents.

With head office in Osaka, the company operates three plants, at Futashima (Fukuoka Pref.), Yokkaichi (Mie Pref.) and Mitsu (Hiroshima Pref.), and a research laboratory at Amagasaki (Hyogo Pref.).

TABLE IV. OUTPUT OF SHEET GLASS OF THE NIPPON SHEET GLASS CO., LTD.  
IN 1949†

Item	Monthly capacity	Percentage of national capacity	1949 output	
			Quantity	Value
Sheet glass .....	148,000 cases	40%	836,794 cases	¥1,902,558,000
Refractory brick * .....	900 tons	1%	2,334 tons	43,842,000
Total .....				1,946,400,000

† October 1948-September 1949.

\* The entire output is consumed by the company.

#### General Condition of Production

##### Raw Materials

(a) Silica Sand.—There are in Japan Proper few large deposits of silica sand, which constitutes the principal raw material for the production of glass, and until the outbreak of the war Japan depended on French Indochina (Cam-ranh Bay) and Korea for the supply of silica sand. After the stoppage of its importation owing to the war, Japan actively developed the domestic resources, with the result that

indigenous silica sand produced in Sado in Niigata Prefecture, Seto in Aichi Prefecture, Izu in Shizuoka Prefecture, etc. was quite sufficient to fill Japan's entire requirements. However, since indigenous silica sand does not bear comparison with the high-grade silica sand produced in France, Germany, etc., it will be necessary for Japan to import in the future silica sand of excellent quality for use in manufacturing optical glass and other high-grade glass.

TABLE V. SILICA SAND PRODUCED IN JAPAN

Producing centre	From	Monthly output (metric tons)	Chemical analysis			
			Ig. Loss %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	Fe <sub>2</sub> O <sub>3</sub> %
Shizuoka .....	Rock	10,000	0.41	97.78	0.59	0.11
Aichi .....	Sand	4,000	0.27	98.35	0.81	0.08
Fukushima .....	Rock	"	0.10	99.80		0.10
Niigata .....	Rock	4,000	0.64	96.20		1.80

\* Output is unknown, but not large.

TABLE VI. SOURCES OF SILICA SAND USED IN JAPAN  
(In 1,000 metric tons)

Year	French Indochina product	Korean product	Indigenous product	Total
1937 .....	118	32	11	151
1945 .....	0	1	10	11
1946 .....	0	0	26	26
1947 .....	0	0	45	45
1948 .....	0	0	60	60
1949 .....	0	0	91	91

(b) Soda Ash.—Before World War I Japan depended wholly on foreign products, especially British products, for the supply of soda ash. Subsequently, however, the ammonia-soda process industry developed in Japan (the present producers are the Asahi Glass Co., Ltd., Tokuyama Soda Co., Ltd., Ube Soda Co., Ltd., and Toyo Soda Co., Ltd.) and as a result this country depends wholly on domes-

tic soda ash. Due to the absence of low-priced salt in Japan, which is needed for the soda industry, and to the low rate of operations, the production cost of soda ash in Japan is higher than the international price. Since the present government subsidies on raw salt and soda for the purpose of protecting the soda industry and allied industries will be shortly abolished, this will adversely affect the soda industry. However, there is very little likelihood of the market price going up because, on top of the oversupply of domestic soda, offers for low-priced foreign products are now being received.

TABLE VII. JAPAN'S OUTPUT, EXPORT AND IMPORT OF SODA ASH  
(In 1,000 metric tons)

Year	Domestic output	Import	Export
1931 .....	87	54 (38)	0
1936 .....	223	41 (23)	27
1941 .....	153	9 (1)	1
1946 .....	23	0	0
1947 .....	46	0	0
1948 .....	88	0	0
1949 .....	110	10 (10)	0

(c) Coal.—Since Japan does not produce natural gas in commercial quantities, the Japanese ceramic industry depends almost wholly on coal for the supply of fuels. Of the five large coal fields in Japan, i.e., Hokkaido, Joban (Ibaraki and Fukushima Prefectures), Ube (Yamaguchi Prefecture), Chikuhō (North Kyushu) and Miike (North Kyushu), coal of high caloric value (for gas producers) for use in the glass industry comes from Hokkaido, Chikuhō and Miike, of which coal from the former two areas in particular are used respectively by the plants in the eastern region (Kanto district) and the western region (Kansai district).

Though after the outbreak of the war the production of coal fell in both quantity and quality, the supply of coal has gradually increased since about the beginning of 1948 and a conspicuous improvement in quality has been noted. Generally speaking, however, the price of Japanese coal, especially coal for coke-making and gas producers, is considerably higher (at present the market price is \$14-\$16 per ton) than that produced overseas. Hence Japanese industries are very anxious to acquire high-grade coal at a price of about \$10 per ton. The importation of coal in substantial quantities from the Asiatic Continent (China especially) is the most direct method to achieve this end, but such importation is difficult under existing conditions.

Operating condition.—The raw material situation being such as stated above, with a shortage of soda ash and coal especially, the glass manufacturing companies found it necessary in the postwar years to drastically reduce their scale of operations and to concentrate production in only one or two



plants. However, since on the one hand the raw material situation as a whole is lately turning for the better and since on the other hand sheet glassware is still in active demand, the rates of operation of the concerns have rapidly increased during the last one and a half years and their cost of production has been reduced thereby to a great extent, as indicated in Tables IX and X.

TABLE X. PRODUCTIVE CAPACITY,  
(Capacity and production in 1,000

Name of company	Plant	(A) Monthly productive capacity	(B) Annual production		Average operating rate (B) ÷ (A) %	
			1948	1949	1948	1949
Asahi Glass	Amagasaki	60	285	685	40	95
	Makiyama	60	361	704	50	98
	Tsurumi	100	309	473	36	39
	Sub-total	220	955	1,862	36	70
Nippon	Yokkaichi	106	351	639	28	50
Sheet Glass	Futashima	42	408	330	81	65
	Sub-total	148	759	969	43	55
Grand Total		368	1,714	2,831	39	64

Note: The monthly productive capacity represents actual productive capacity.

#### General Export Situation

As shown in Table I, Japan's sheet glass output declined so sharply in the postwar period that at one time it was not sufficient to fill the domestic demand. Furthermore, owing to the fact that foreign trade was in a suspended condition then, the question of sheet glass exports presented hardly any problem. In consequence of the gradual increase in sheet glass production and also from the necessity of acquiring foreign exchange, the policy of making exports at the expense of domestic needs was stressed. However, since the single exchange rate was established in April 1949 at a rate (Y360 to the U.S. dollar) representing

TABLE IX. RECENT OUTPUT OF SHEET GLASS, BY CLASSES  
(In 1,000 cases)

Month	Ordinary sheet glass	Figured glass	Total
Monthly average for 1948	117	26	143
Monthly average for 1949	211	25	236
January 1950	280	24	304
February	272	23	295
March	303	49	352
April	290	44	334

PRODUCTION AND OPERATING RATE  
cases and operating rate in percentage)

(A) Monthly productive capacity	(B) Annual production		Average operating rate (B) ÷ (A) %	
	1948	1949	1948	1949
60	285	685	40	95
60	361	704	50	98
100	309	473	36	39
220	955	1,862	36	70
106	351	639	28	50
42	408	330	81	65
148	759	969	43	55
368	1,714	2,831	39	64

more than 10% appreciation of the yen over the pre-existing rate, and since Japan's competitive power in Southeast Asia (especially the sterling bloc), which constituted the most important markets for sheet glass, was weakened by the devaluation in 1949 of the pound sterling, the increase in the volume of sheet glass exports has been hampered to a greater degree than expected. Quite recently, however, the falling trend of international prices has begun to halt, and the volume of orders and contracts is now gradually increasing. It is, therefore, expected that the minimum of 250,000 cases and, if possible, a maximum of 350,000 cases will be exported this year.

TABLE XI. POSTWAR EXPORT OF SHEET GLASS  
(Quantity in converted cases and value in U. S. dollars)

Destination	1947		1948		1949	
	Quantity	Value	Quantity	Value	Quantity	Value
India	0	0	21,804	114,678	46,371	205,101
Ceylon	0	0	1,140	5,213	4,267	20,655
Pakistan	0	0	0	0	3,842	18,072
Arabia	0	0	0	0	943	4,624
Iran	0	0	0	0	3,645	18,820
Iraq	0	0	0	0	500	2,175
Afghanistan	0	0	0	0	183	835
Egypt	0	0	9,529	45,711	13,000	64,250
Other parts of Africa	0	0	0	0	80	371
Thailand	0	0	11,420	52,027	28,205	135,836
Indonesia	23,240	108,483	3,327	16,739	4,017	19,853
Philippines	0	0	24,011	115,574	9,463	49,546
Hongkong	9,150	39,084	58,665	268,945	66,522	318,405
Guam	0	0	0	0	25	115
Mexico	0	0	0	0	1,070	5,032
Korea	1,461	7,170	5,706	34,705	12,870	64,909
Formosa	0	0	0	0	24,610	119,361
Okinawa	313	1,252	0	0	0	0
Malay	0	0	2,000	8,892	0	0
Canada	0	0	1,369	6,032	0	0
Export within Japan	0	0	5,557	27,316	5,499	31,511
Total	34,164	155,995	144,528	695,832	225,119	1,079,572

#### Future of the Japanese Sheet

##### Glass Industry

With a prewar annual maximum output of 4,600,000 cases (1937), Japan established its prewar position as the second largest sheet glass producing country in the world, ranking next to the United States (about 5,000,000 cases at that time). However, the increased production of sheet glass by United States (8,600,000 cases in 1947) and the Soviet Union's conspicuous advance in

this line in the postwar period have relatively lowered the position of Japan, Belgium, etc., which once enjoyed predominant positions in the field of sheet glass production.

However, Japan, now striving to work out its destiny as a peaceful nation under the occupation of the Allied Forces, is now fast recovering and her sheet glass industry, as a purely peace-time enterprise, has a very rosy future the following reasons:

**Supply.** — Since all of the plants engaging in sheet glass production sustained hardly any war damage by air-raids, this industry has now a total capacity of 368,000 cases per month (or 4,416,000 cases annually). This supplying capacity, coupled with repaired and rehabilitated facilities, will further increase by nearly 30% the industry's productive capacity.

**Demand.** — On the other hand, it is estimated that the brisk domestic demand for sheet glass for the rehabilitation of war ravage will continue in the future also. Besides, the large space for the use of sheet glass in Japanese homes provides a constant large demand for sheet glass for replacement purposes. There is possibility that various areas in the entire Southeast Asia will develop into very promising markets for Japanese sheet glass in the future.

**Raw materials.** — So far as raw materials are concerned, the Japanese sheet glass industry is self-sufficient, relying almost entirely on domestic raw materials. Depending on the future progress in the rehabilitation and rationalization of allied industries, it is likely that cheap and superior materials can be obtained.

**Profit earnings.** — This industry is one of the key industries in Japan which yield the highest profit earnings. Its export earnings, which were poor at one time after the end of the war, are gradually improving.

There is, of course, no denying the fact that the production facilities used during the war years are now superannuated and that the manufacturing technique is backward as compared with that used abroad. In respect to these points, great expectation is placed on friendly aid and assistance from advanced nations, especially from the United States.

## Economic Report from Manchuria

Industrial production of the North-east Provinces of China (Manchuria) in the first quarter of 1950 exceeded the original plan by 9.21 per cent. In 1949, consumers' goods comprised about 26 per cent of total industrial output, and according to plans for 1950 they will equal 21 per cent of the total; their real value, however, will exceed that of 1949 by 40 per cent.

In 1949, prices in the Northeast Provinces rose by 80 per cent, whereas in 1948 they rose by 800 per cent.

The first issue of 1950 North-East production and construction bonds has been concluded with an actual sale of about 22 million units. (A unit is composed of fixed quantities of miscellaneous essential commodities, such as rice and cotton cloth.) The original plan was for the sale of only 17 million units. The percentage distribution of purchases is industry and commerce, 65.2; individuals, 12.6; officials and educational workers, 9.1; farmers, 7.1; and peddlers, 4.9.



## FINANCIAL REPORTS

## HONGKONG FREE MARKET

Report for the trading week August 8-12:

**GOLD:**—Highest & lowest rates per .945 fine tael \$319¼—312, equiv. to .99 fine tael and oz rates of \$334.45—326.85 and \$277.94—271.62 respectively. Local crossrate US\$42¾ high, 42¼ low.

Macao and Canton .99 fine tael rates \$313¼—308¾ and \$320—312 respectively.

During the week under review the decline in the gold cross was caused by heavier demand for TT New York and subsequent appreciation of US\$ rates here. As however free TT New York may soon move in line with overseas markets, the local gold cross may again rise provided that prices in HK\$ tael remain more or less unchanged. The market is dominated by Korean war rumors and derives little encouragement from other world theatres. Though the US reversals in Korea are a stimulating factor—in spite of having expected a development in Korea favoring the so-called Korean People's forces—the local market finds itself confronted with a technical position which growingly favors bears. Stocks have risen and further Macao imports are reported regularly; at the same time the Macao Govt. licenses freely any quantity of gold and thus there is good reason to expect, irrespective of hoarding and bulls' operations, a lower trend. Overseas prices are relatively low though no more, as before the Korean war outbreak, around US\$36½; largely as a result of the excited French hoarders and the subsequent rise in the Paris gold rate, free market bullion dealers have succeeded to advance their rates to between 38½ to 39.

Hongkong has recently experienced difficulties in the import (smuggling) of gold from Macao but latest developments and the confidence shown by native bankers go to prove that the influx will be less impeded and that consequently there will be more gold arriving in this Colony, and prices should therefore undergo a downward revision when it is proved—as every native banker and bullion dealer here knows—that actual offtake by the public is small and that exports are the only possibility to get rid of the enormous trading (in contradistinction of the still more enormous hoarded) stocks. The market is topheavy and most unsound; already before the latest and most unexpected imports into Macao resumed (after one had thought that imports into Macao and Hongkong were a thing of the past, with exports now being the sole occupation of the gold traders) the trading stock in Hongkong was considered so heavy that, for a time, prices were quoted here which were below any other free market gold price in the world. This slump was necessitated by the urgency felt here to get rid of the treasure and foreign buyers were the only ones interested though at low rates; China

has spurned any offers from here and Canton offered consistently below Hongkong prices.

Where is the newly imported gold going to? Apart from small hoarding and increased sales by jewelers, the bullion goes into the vaults of the native banks and the speculators. The more comes in, the less funds will be available to absorb this gold and prices must then recede. However the speculators are of the opinion that the world political situation will deteriorate and they hope that a new war will soon break out, in which event their expectation of higher gold and commodity prices is of course justified. Those optimists however who hold that the present war in Korea will not issue into a world conflagration may eventually be right and cash in on a la baisse speculation. The fact that so far Macao Govt. issued licences for 500,000 ozs, part of which has already arrived in the Portuguese colony with the rest being en route or ordered for immediate airlift into Macao, suggests that the world war III speculators feel quite reinsured by the political propaganda which these days envelops, apparently, everybody.

Forward interest in the futures market totaled for 7 days 87 cents or about 14% p.a., a decline against the preceding weeks due largely to the acceptance by more banks of gold as security for loans to speculators. Authorised banks here refrain from this business but there are many commercial banks here who derive considerable profits from mortgaging gold, usually at high interest and advancing only from 60 to 75% of the market value.

Forward contracts as concluded in the Exchange (apart from considerable turnover arranged between native banks and clients) totaled 312,000 taels (daily average 62,000). Daily position left open about 198,500 taels in which interest hedgers, importers, the Swatow and Canton clique were oversold, and Shanghai and local operators overbought.

Cash bars sold amounted to 55,000 taels (42,730 taels officially listed). About 50,000 taels changed hands among interest hedgers, 2000 taels were acquired by exporters and 3000 taels purchased by the ornament trade. Exports were shipped to Singapore. It is still profitable, in spite of lower local and rising output prices, to ship to Singapore and Bangkok (about \$15 per tael difference). Differences paid here for .99 fine taels ranged from \$14½—15 (certified) and \$12—12.20 (uncertified).

Imports aggregated 26,000 taels, all from Macao. Macao is witnessing now, almost as in the 'good old days' of 1948, the arrival of flying boats bringing in the precious cargo. Of the already licensed 500,000 ozs, some 320,000 ozs were offloaded by the end of last week. These figures are unofficial. The Macao authorities, for reasons best known to those persons connected with the bullion business in the Portuguese colony,

do not divulge any figures but information is nevertheless available from the bullion traders themselves. Hongkong Revenue officers (preventive service) scored many successes during recent weeks by seizures made from all sorts of people arriving here from Macao. But the principal organisations concerned in the Macao-Hongkong transport have not been touched as they operate too cleverly and do not rely on fisherfolk and the usual forms of communication. The difference in the Macao-Hongkong price remains still high, about \$15 per tael higher in Hongkong.

Highest & lowest rates per .945 fine tael of gold and TT New York

	Gold		US\$	
	high	low	high	low
August 8	\$318	315¼	638	634½
9	319¼	314	641	639
10	316¾	312	644	638
11	318¼	314½	652	642½
12	319¼	316	653½	646¼

**SILVER:**—Prices per .99 fine tael \$4.71—4.73, per dollar coin \$2.95—3.01, per 20 cents coins (5 pcs) \$2.30—2.32.

Neither the steadiness of the gold prices nor the advancing trend on the US\$ market stimulated silver tradings though the undertone of the market was steady. Business done: 54,000 taels. Local stocks declined and are considered small. Imports from private sources in China negligible; exports from here to US and UK will depend on resumption of shipments of silver by the Chinese Govt. into Hongkong.

**US\$:**—Highest & lowest prices, per US notes \$647—629, DD 651—632, TT 653—634½, equiv. to crosses of US\$2.45, low, 2.521, high.

The higher rates were caused by continued purchases of funds in New York required by local and Macao gold importers (as well as futures buying by such interests after they had acquired import licences in Macao); by the agents of the Chinese Govt; by increased merchant demand (spurred by higher commodity prices in America and elsewhere); and investors. The latter category was re-emerging after quite a long period of indifference. This is a significant development though it need not cause any concern among the authorities.

Total sales of last week: US\$1,350,000 (of which 680,000 in TT, rest in DD and notes).

Bangkok merchants were good sellers when the rate approached 650. Several gold importers in Macao were hard pressed to pay up when the gold was discharged.

**BANK NOTES:**—Malayan dollars were steady as a result of better export conditions in Singapore, with total business at Mal.\$1,350,000, in the DD sector, at rates of Mal.\$54—54½ per HK\$100, and several lakhs of Malayan bank notes, at rates of \$1.76—1.77½. Indonesian new guilders, called rupiahs, are hardly transacted and no rates were quoted. The Nica and old Java bank notes were sold in small lots at



rates of \$3.30—4 for Nica and \$2.50—3 for the Java notes. Piastres sold in the futures market from \$12.60—12.80 per 100 piastres. Japanese yen notes appreciated slightly from 135 to 137 per 10,000 yen. Baht were unchanged at \$27.50—27.70 per 100 baht. Other bank note rates: British pound \$15.55—15.64, Australia 11.95—12.05, Canada 5.56—5.64, India 1.05¼—1.08, Burma .81, Ceylon .95, Philippines 2.15—2.24.

#### CHINESE EXCHANGE & FINANCIAL MARKETS

The last exchange revision by the Bank of China, on August 7, has been accompanied by higher prices of Chinese exports in Hongkong and other foreign places as the Chinese currency kept on advancing in terms of every foreign exchange except those of the double bloc. Inside China commodity prices have remained unaltered but there is a tendency to decrease, wherever possible and if exports can be promoted, the prices of a number of less important products.

The black market in Shanghai, the only really active one in comparison with the almost non-existent markets in other Chinese cities, has taken its cue from the upward revision of the Chinese money and quotations went down for gold from PB\$1.8 to 1½ million, per .99 fine oz, and for US notes from PB\$39,500 to below 37,000.

Hongkong's money changers also quoted Chinese currency higher, viz. HK\$2.05 per PB\$10,000, and there is growing evidence that local native banks are willing to hold Chinese currency and even to speculate on its further appreciation.

Among a large number of native bankers in Hongkong the feeling is now apparent that the economic progress of China, under the People's Govt at Peking, is practically assured and in this often heard opinion they found substantial encouragement from the report brought here by the Hongkong and Macao merchants and manufacturers' trade and inspection mission to China, a mission which has resulted in the local and Macao merchant-participants issuing a most encouraging report on progress in China of today. The effect of this report, and of the stories brought here by individual members of the mission, will prove most beneficial to the further promotion of Hongkong-China business but it will also have a very obvious political influence on the local middle class. The publication of the Agrarian Reform Law and the comments now heard with regard to this Law are further indications for the slow change in the political sentiments of local merchants, and native bankers are often not hesitant to voice their approval of current economic policies in China. This is a significant trend which, in spite of the protestations of Chinese merchants generally that they are not interested in politics, should be watched in future.

Official rates as quoted by the Bank of China, Shanghai, were PB\$4700 for Hongkong notes and PB\$30,590 for US notes; in Canton these rates were PB\$4850 and \$30,590 respectively. The TT rates are on New York 32,200 and Hongkong 4950.

Local remittance business with China was done at the following rates: with Canton at 96.90—98.80 per 100 in Canton, sales aggregating HK\$840,000; with Shanghai in gold and US\$ at 92—93½ and 101—103 respectively, with very little business reported.

The outlook for further appreciation of the Chinese currency is favourable in view of the low commodity prices and low cost of living in China compared with prices and c.o.l. elsewhere. The Peking govt is able to report ever more favourable developments in the financial and economic fields, the most important matter being the reported balancing of the state budget for the current year.

Hongkong's business with Taiwan has increased which is, apart from the increased feeling of security in that island, also due to the change-over of exchange business from more or less illicit to authorised banking channels. The Bank of Taiwan has now authorised the following banks to deal in exchange at market rates: National City Bank of New York, Chase Bank, Hongkong & Shanghai Bank, Chartered Bank. Large amounts in HK currency were transacted through these banks. On the other hand, transactions in gold and US\$ remittances, surreptitiously conducted, are small, totalling last week 200 taels of gold and US\$45,000, at rates of 80—82 and 92½—95 respectively (for 100 in Taiwan).

#### OUTLOOK FOR US\$ AND £ RATES

We now hear predictions that sterling will remain strong because dollar devaluation will "adjust" international monetary values; holders of liquid funds no longer consider dollar values safe and stable, a flight from the dollar has started—so writes one of the leading exchange experts of New York, Mr. Guenter Reimann. He continues:—But we do not believe that Britain will not be strong merely because the dollar no longer inspires confidence. On the contrary, a tumbling dollar will drag down with it many foreign currencies, including sterling.

A protracted war and deficit spending in the United States, with its piling up of government debts and new rise in price levels, will probably undermine dollar values and lead to dollar devaluation. It is also possible that Britain will be able to take advantage of a situation in which the United States must carry the main burden of the cost of arms and another war—at least while Europe itself is not a battlefield. Thus, foreign monetary values may easily gain temporary strength through a weakening of the dollar position. Yet it would be a mistake to modify foreign investment policies on this consideration alone.

The following points must be considered: 1) higher dollar prices may for a time assist sterling exports, but dollar devaluation will boomerang: a devalued dollar will deprive Britain of the competitive advantage of a devalued sterling, and dollar competition will actually become stronger. 2) inflation always leads to a shrinkage of domestic markets and a greater need for exports. A war boom will temporarily increase the demand for strategic materials and for arms, but only to a small extent for typical British export goods. 3) the defense of Western positions in the Far East will affect the international position of sterling far more than that of the dollar. Southeast Asia is a greater dollar earner for Britain than British industries. If the Korean war should spread, the United States may have to indulge in additional deficit spending. But Britain will lose one of the main supports of her balance of payments position. This prospect may temporarily be obscured by the immediate possibilities for Great Britain to increase her \$ earnings.

#### Hongkong No. 1 & 2 Accounts

A Foreign Exchange Control notice of the Bank of England has placed new restrictions on the use of sterling assets of Hongkong residents. These measures, which are designed to stop undesirable transfers of sterling resulting in a loss of hard currency, restrict payments out of, but place no restriction on payments into, Hongkong residents' accounts.

The assets of Hongkong residents are divided into two broad categories to be classified as No. 1 and No. 2 accounts. The No. 1 accounts are those held by 25 banks operating in Hongkong through which it is intended to control payments to and from the Colony. All other accounts were designated as No. 2 accounts, and payments from them will be strictly regulated.

Payments of a recurring personal nature which have been made regularly in the past may still be made in scheduled territories. Drawings for living expenses may be made up to a limit of £50 per person, or £150 per family, a week. Other legitimate payments will be allowed with prior approval of the exchange control.

#### Netherlands Financing in New Guinea

It is officially estimated that the Netherlands will spend 20 million guilders net (US\$5.3 million) in Netherlands New Guinea during 1950. Private capital is hardly interested in the opening up of New Guinea as long as the status of the country has not been determined. Unorganized emigration by Eurasians from the Republic of the United States of Indonesia to New Guinea has been restricted. Payments between the Netherlands and New Guinea are affected through a Netherlands guilder account at the Netherlands Trading Company in Amsterdam, and are subject to approval by the exchange control authorities.



## COMMERCIAL MARKETS

### Rubber Situation in Malaya

When reviewing the rubber situation in his statement in regard to the position of The Tebong Rubber Estates, Ltd., the Chairman gave a grave warning as to the effect the present high price of rubber is bound to have on the industry as a whole.

The rubber estates, he pointed out, derive little or no immediate benefit from the high prices, due in large measure to the fact that many companies because of their desperate financial position at the end of 1949 were forced to sell forward a large proportion of their output for 1950. The existing high price have been caused by a shortage of rubber for nearby delivery in the early part of the year, added to war fears, and now, of course, augmented by the Korean affair and the stockpiling of rubber by various governments. The United States Government has always been the major purchaser of Malayan rubber, but in face of the factors enumerated it has given orders for the opening of a large number of synthetic plants in the U.S.A. many of which will come into production towards the end of this year. It is to be feared that this policy may curtail the purchase of the natural product.

The high cost of rubber is bound to have repercussions all round the world; locally it has already been felt in the closure of one of the largest rubber shoe factories in Hongkong and in the dire straits in which other companies find themselves. It is possible that the high price of natural rubber may be an inducement to manufacturers to turn their attention to increasing the synthetic output if it can be made sufficiently low in price. It is a well known fact that Russia has developed her synthetic factories to such an extent that she is now reckoned as the largest producer of this type of rubber in the world.

It is of course imperative that the United States should be assured of adequate supplies of crude rubber and if the quantity available is found to be below requirements and the price above its economic value, it can easily be seen that the United States will be forced to meet its needs in other ways as best it can.

Unless steps can be taken to meet the situation, Malayan rubber estates with their already overburdened economy will find themselves faced with another and even more serious problem to solve.

### Trade Mission to China

A group of 25 Chinese businessmen which for the past two months has been touring China to ascertain whether trade can be developed between the Chinese People's Government and the Chinese manufacturers and merchants of the Colony, has returned to Hongkong convinced that this should become possible.

When interviewed by members of the group, the officials of the Economic and Finance Committee in Peking who handle the country's trade and financial

policies, expressed themselves as agreeing in principle with the representations made, i.e., (a) that facilities and preferential treatment should be given for the importation into China of the products of Hongkong factories; and (b) that Chinese import and export merchants in Hongkong should be given preference in regard to obtaining raw produce from China and also over the supply to China of various essential commodities of which the Hongkong godowns are full. It was suggested by the Peking officials that detailed proposals for a reciprocal trade scheme be drawn up by the group and submitted to the South China trade bureau for consideration and for details to be worked out.

The Chinese businessmen received the impression that the People's Government will continue to deal with small capitalists only, for at least the next 25 to 30 years, though important enterprises, trade and industrial, will be state-controlled. They were advised not to invest for the present in China, as the People's Govt. is working out a co-ordinated plan of industrial development for the whole country, and other independent schemes might not be found to fit into the general planned framework, which was intended to include the equitable distribution of industrial areas.

### Export from India of Cotton-Textiles

The Government of India have adopted the following procedure for regulating the export of coarse and medium count cotton textiles which has been allowed to soft currency countries up to a ceiling of 125 million yards for the period July to December, 1950:—

Quotas will be granted to exporters in India who have made shipments during the calendar year 1948 or 1949, according to their choice as to the basic year for the purpose of receiving the quotas, and on production of valid income-tax verification certificate registration or exemption number for the current half year. Exporters desirous of participating in the quota have been asked to submit within one month the necessary certificates for exports made by them during the basic year, exclusive of exports for Pakistan, Nepal, French territories and Portuguese possessions in India. Non-production by shippers of the necessary certificates within a period of one month will render the exporter ineligible for any allotment.

Approved exporters will be given interim quotas for quantity equal to 20% of the basic exports in the first instance. These quota licences will be valid for export to any permissible destination other than Pakistan, Nepal, Portuguese possessions and French territories in India, for which destinations a separate procedure will be followed.

Shippers whose shares of quota on basic exports come to less than 5,000 yards will not be granted any quota. Shippers whose shares come to more

than 5,000 yards but less than 10,000 yards will be given a quota of 10,000 yards.

Although no destination quotas have been fixed, exporters have been advised to encourage supplies to countries to which they have exported in the past. However, if in actual practice any important market does not get a reasonable share of the quota now announced, ad hoc releases may be considered by the Government in favour of such countries.

### Hongkong Stock Market

The volume of transactions on the Hongkong Stock Exchange during the past week reached an aggregate value of \$515,684. This total is about double the turnover of the opening week of the month and well above the average of the past three months. Business in the securities of local companies was concentrated on public utilities; the yields offered on these are proving attractive to long term investors seeking income. The shares of companies operating in Shanghai continue to be taken off the market.

Business was done at the following prices:

Stocks	High	Low	Sales
H.K. Govt. Loan 4%	\$8	—	—
H.K. Govt. Loan	—	—	—
3½% (1948) .....	96	95½	\$20,000
Asia Navigation .....	62½	—	1,500
Hongkong Wharves .....	66	65	500
China Providents .....	9.20	—	292
Shanghai Docks .....	3.20	—	7,300
Wheelock Marden .....	19	—	1,100
H.K. & S. Hotels .....	6	—	1,500
Shanghai Lands .....	1.20	—	9,000
Hongkong Lands .....	34	—	1,100
Trams .....	10	—	5,650
Light. old .....	9.20	—	3,700
new .....	6.20	—	666
Electrics .....	18¾	—	8,532
Cements .....	7¾	—	600
Watson's .....	20½	20¼	3,250
EWO Cotton .....	3	—	19,970



## Singapore Stock Market

The unprecedented advance in the rubber commodity was the only topic of the week, ending 5th August. The rise of 56½ cents from \$1.15½ on 28th July to \$1.72 per lb. on 4th August is something that operators have not seen in forty years. The price of \$1.72 was exceeded in 1925 during the Stevenson Restriction Scheme and before that in 1916, but quantities exported in those years were only a fraction of the present volume. However, to many estates in Malaya the rise is not an unmixed blessing. It is estimated that over 40% of the total 1950 production of Malayan dollar companies has been sold forward at price less than 50 cents per lb. Directors, and there are many such, who have sold forward at around 43 cents find themselves in the invidious position of having to explain to shareholders that mounting costs — at least 35 cents per lb. on many estates — and export duty and cess 8.9 cents per lb. with rubber at \$1.70, now involve their companies in actual loss over a considerable part of the crop.

The prime beneficiary is, of course, the Federation Government which from the export of an average about 10,000 tons should have derived something like \$1¼ million from the week's export duty on rubber alone.

The Rubber share market showed small gains on a moderate turnover, but at no time can there be said to have been keen buying. It is strange but true that practically all dollar rubber shares are lower today than they were in May, when the commodity was less than half the present price.

In the Industrial share market the slightly lower prices again led to the placing of several fair parcels with investors. In the main the sellers of stock in this section have been overseas holders and the buyers local operators.

	Buyers (\$ M.)	Sellers (\$ M.)	% Yield based on last years dividend
Malayan Union 3%, 1946	90	91.50	3.75
Alexandra Brick- works, Ltd.,	1.92½	2.00	10
Consolidated Tin Smelters, Ltd.,	15/-	16/-	10
(Sterling denomination)			
Fraser & Neave, Ltd.,	2.85	2.90	7.2
Gammon (Malaya) Ltd.,	2.07½	2.12½	14.1
H.K. & S. Banking Corporation	600	615	7
Malayan Breweries, Ltd.,	4.65	4.75	6.3
Malayan Collieries, Ltd.,	1.50	1.60	6.3
Overseas Assurance Corp., Ltd.,	10.75	11.25	2.7
Oversea Chinese Banking Corp., Ltd.,	61.50	62.50	6
Shore Cold Storage Co., Ltd.,	4.30	4.50	6.7
Singapore Traction Co., Ltd.,	13/-	14/-	—
(Sterling denomination)			
Straits Steamship Co., Ltd.,	14.40	14.60	6.8
Straits Trading Co., Ltd.,	11.80	12.10	6.2
Union Ins. Society of Canton, Ltd.,	305	315	4.4

## Malaya's Trade in Commodities

Imports into Malaya during, May, 1950, at a total of M \$210,802,795, exceeded in value the monthly average of 1949 by \$57,452,632. Exports for the same months, at a figure of M \$214,071,169, were \$75,080,008 over the monthly average of the past year. As regards the volume of total trade, at M \$424,873,964, this increased by \$72,630,267 over the volume of the preceding month but the favourable balance of exports over imports during the two months declined from \$16,552,437 in April, to \$4,268,374.

Other figures supplied by the Malayan Department of Statistics indicate that between January and May, 1950, the aggregate value of imports at M \$896,454,070 was comfortably exceeded by exports valued at M \$961,321,743. The United Kingdom was the leading source of imports during this period and shipped goods valued at \$197,557,687 with Indonesia a close second at \$179,097,369 (N.B. imports originating in Sumatra were worth \$132,329,459). The United States continues to be Malaya's best customer, to whom exports valued at M \$296,233,248 were shipped during the first five months of 1950. Exports to the three other leading customers were valued as follows: United Kingdom — \$138,782,830; Indonesia — \$70,144,708; Soviet Union — \$38,462,570.

### Rubber

It is significant that, although total exports of rubber during the first six months of 1950 are at about the same level as for the same period of 1949, (i. e., at 457,502 tons as compared with 449,502 tons), exports in June at 75,463 tons were about 3000 tons lower than for the preceding month and well below the "high" for the year in March, when total exports reached 89,429 tons. Heaviest shipments of this commodity went to the U. S. A. — totalling 24,563 tons; the U. K. — 14,874 tons; France — 5,179 tons; Australia — 4,675 tons; Italy — 3,654 tons; Hongkong — 3,522 tons and the Soviet Union — 3,313 tons. The United States were the largest purchasers of Malayan rubber during the first half of 1950 and 167,085 tons have been shipped there so far, followed by the U. K. with 93,275 tons and Russia with 34,662 tons; Hongkong's total imports of rubber for the same period amounted to 5,457 tons.

### Tin Metal

The tonnage of tin metal exported during June amounted to 7,644 tons, of which 5,860 tons were shipped to the United States, 759 tons to British Possessions, 654 tons to Continental Europe and 231 tons to the United Kingdom. The total amount of tin exported during the first six months amounted to 38,322 tons, of which the United States took 27,034 tons and the U. K. 2,841 tons.

### Palm Products

As regards net exports from the Malayan Federation of coconut oil and copra (including fresh nuts) the tonnage of the former shipped in May totalled 4,325 tons and 8,632 tons more of copra were exported. The United Kingdom took 1,335 tons of the copra total and India 1,992 tons of the coconut oil exported during that month. Total shipments between January and May, 1950, amounted to 45,941 tons of coconut oil and 80,873 tons of copra equivalent.

## Malayan Plantation Reports

### Tebong Rubber Estates Ltd.

The working account of the Tebong Rubber Estates showed a loss of HK\$ 7,449 for the year ended March 31, 1950. Profit and Loss Account showed a net loss of HK\$95,705. This amount has been transferred to Appropriation Account which, with the debit balance brought forward from last year and after deducting a net credit of HK\$ 23,838, brings the debit balance on this account to HK\$85,562. The assets of the Company as shown on the Balance Sheet amount to HK\$3,814,455. The authorised and issued capital of the Company is 4,000,000 shares of HK\$50 fully paid.

The past year was disappointing on account of the emergency and the subsequent shortage of labour. Upkeep was difficult but the work of replanting will be continued although the number of acres will not reach the figure hoped.

### Repah Rubber & Tapioca Estates, Ltd.

The working account of the Repah Rubber & Tapioca Estates, Ltd. showed a working loss of HK\$5,647 during the year ended March 31, 1950. The net loss on Profit and Loss Account, which has been transferred to Appropriation Account amounted to \$97,360. The authorised and issued capital of the Company is 1,350,000 shares of HK\$50 fully paid up.

The story of the disastrous effects of the emergency is related in regard to the Repah Rubber & Tapioca Estates as with other rubber plantations. Costs increased and the See Kee Division of the Estate was out of production for almost the whole of the year. It is however, anticipated that, given security during the coming year this Division would bring the estimated output for the whole estate of 702,000 well in excess of that figure. It is also hoped that with the present price of rubber, it may be possible to wipe off the debit balance on the Profit & Loss Account.

### Batu Anam (Johore) Rubber Estates, Ltd.,

These estates showed a working profit of HK\$44,369 on the working account which, after deducting the debit balance on Appropriation Account brought forward from previous years, resulted in a credit balance of \$7,035 to be carried forward. The authorised and issued capital of the Company is 960,000 shares of HK\$50 fully paid up. The assets of the Company amount to \$1,314,920.



## HONGKONG COMMODITY MARKETS

(HK\$ equals 1s. 3d. or 17½ U.S. cents;  
1 picul equals 133.3 lbs.)

### Cotton Piece Goods & Cotton Yarn

Shanghai and Japanese Cotton Piece Goods were in demand during the week and stocks being low, prices showed a considerable increase. Dealers from Taiwan and the Philippines were active, although other buyers held back considering that prices were too high. In Grey Sheeting, Blue Peacock sold at \$53 per piece, Dragon Head rose to \$56, Fairy Eagle and Fancy Butterfly fetched \$55. Mammoth Bird improved to \$55.50 per piece, Japanese 2024 sold at \$56.50; in White Cloth, Angel Fish fetched \$54 and Lady on Horse \$53 per piece and Three Peaches (Japanese) sold at \$77 per piece.

The restrictions imposed by the Canton authorities upon the export of Shanghai Cotton Yarn of 32 counts has opened the local market to the sale of Indian 32's, which formerly were unable to compete with the better quality Shanghai and local makes, as in order to cope with their orders local textile mills require large quantities of this count. Yarn of 40 and 42 counts is now included in the prohibition. Apart from the local mills, buyers from Thailand were also in the market and prices have risen to the extent that most 20's are near or above the \$1200 per bale mark, while 10's are approaching or have passed \$1000 per bale. Prices at the close were: Coimbatore Mills \$920 per bale, Jayashankar Mills \$990, Gokak Mills and Flying Peacock (India) \$1000, Golden Peak \$1100, Double Lion \$1080, Yacht \$1150 per bale; in 20's, Camel and Yacht sold at \$1450 per bale, Double Lion, Pine & Bamboo and Red Rose fetched \$1400, Tug of War sold at \$1290, Dawn Mills at \$1250, Podar Mills and Shree Hanuman Cotton Mills at \$1210, Panda at \$1360, Kaleeswarar Mills at \$1180 per bale; in 30's Yacht fetched \$1630 per bale; in 32's, Camel sold at \$1650 per bale, Silver Moon at \$1460 and Yacht at \$1650 per bale; in 40's, Camel rose to \$1950 per bale and Yacht to \$1950.

### Raw Cotton

Local cotton mills are hampered in their operations by the present shortage of Raw Cotton in Hongkong. The increased rates in the USA and Pakistan have made sales on the local market at the existing prices unprofitable, which has in its turn put a stop to further orders from these countries. The market was combed during the week for supplies and Thai Raw Cotton was bought up. The uncertainty over future supplies is expected to continue for some time. At the close the Thai product had risen to \$1.80 per lb. Other kinds were quoted at the earlier rates: US 1" \$2.50 per lb., 15/16" 1st quality \$2.30, ¾" 1st qual. \$2.20; Pakistan 48/49 NT-roller gin \$2.15 per lb., LSS-roller gin \$2.13, 4F-roller gin \$2.02, 289F \$2.16.

### Metals

With continued demands by buyers from China for Iron Pipes, Galvd. Mild Steel Sheets, Galvd. Wire, etc., the local market was active during the week and future prospects appear good. Dealings in certain specifications were, however, curtailed by the recent prohibition placed by the H.K. Government on exports. Where no restrictions exist buying was brisk and the volume of transactions heavy. Mild Steel Plates were active with dealers from Canton in the market, and prices improved: 4 x 8' 1/16" rose to \$60 per picul, 3/32" to \$55, while ½" to ¾" were offered at \$45 per picul. Galvd. Mild Steel Sheets followed the same upward tendency with increased demand and falling stocks. Dealers from both Canton and Thailand were in the market, especially for the Japanese product, resulting in improved prices for most specifications. The Thin quality sold at \$8.40 per piece for Japanese 3' x 7' G30, while the Belgian 3' x 7' was quoted at \$8.30. A rise was also noticeable in the price of the Thick specification, Japanese 3' x 7' G24 standing at 59 cents per lb., G26 at 67 cents and G28 at 73 cents, while the European 3 x 8' G24 forward price stood at 57 cents per lb. and G26 at 66 cents.

The market for Mild Steel Bars was brisk with the expectation of further increases due to the uncertainty of obtaining supplies. Buyers from China were particularly keen on obtaining the various specifications, resulting in most instances in improved prices: Round Bars 40 ft. ¾" and 1" rose to \$36 per picul and ½" to ¾" sold at \$35 per picul; but, on the other hand the larger specifications 2" to 3" showed a decline to \$40 per picul; Square Bars 20-22 ft. of all specifications fetched \$36 per picul; Flat Bars varied in price, ¼" thick ½" to ¾" falling to \$36 per picul while ¾" thick ¾" rose to \$35, ¾" and 1"-3" sold at \$36 per picul, and ½" thick 1"-2" also rose to \$36 per picul. Galvd. Pipes were likewise in good demand by buyers from the mainland, but few local dealers were provided with export permits. At the close ½" was quoted at 70 cents, ¾" rose to 80 cents, 1" to \$1.45, 1½" to \$1.55, 1½" to \$2.20 and 2" to \$3.20 per ft. Galvd. Wire was keenly in demand by Communist purchasing agents from Canton, which has been made the military supply centre for such requirements, presumably owing to its proximity to the Hongkong Market. This urgency resulted in higher prices for practically all specifications. Forward buying, especially for the Japanese make, was brisk, the Japanese being preferred to the European on account of prompter delivery. Ruling prices were: European G6 \$48 per picul, G8 \$50, G10 and G13 \$55, G12 \$58, G14 and G16 \$65, G17 \$64, G18 \$66, G20 \$72, G22 \$74 and G24 \$83 per picul. Galvd. Wire Shorts were also being sought, dealers on behalf of the Chinese Communists buying G20 for \$44 per picul, and G6-G13 1st quality for \$45, while 2nd qual. rose to

\$39 per picul. There was a demand for Barbed Wire and some transactions took place between local merchants and Cantonese buyers; ½ cwt. packing was sold at \$24 per bundle, but later the price was raised to \$26.

### Paper

Little improvement was seen in the Paper market during the week and except for buyers from Taiwan few transactions took place and those only of a minor description. The increase in prices abroad, mainly due to the high cost of raw materials, has made local dealers hesitate to place fresh orders, influenced by the fear that they may not be able to cover the cost with the tightening of the restrictions imposed by the Chinese Communists upon imports of Paper into China, added to which now comes the loss of the Korean market. Taiwan buyers were interested in Woodfree Printing 100/110 lbs. which was quoted at 58 cents per lb. Cellophane Paper, however, was most in demand, with the British make as usual heading sales; British 36 x 39" sold at \$87 per ream and 40 x 51" at \$128 per ream, but stocks are running low. Art Printing (British) 85 lbs. was quoted at \$88.50 per ream. Otherwise, owing to lack of interest, prices showed little variation, although



an increase was registered in Cigarette Paper 29 mm Ecusta brand (with green line) which was quoted at \$18 per bobbin. Newsprint 24 x 36," coloured, also showed a slight improvement to \$13.50 per ream.

#### Dyestuffs

With the advent of Chinese dealers, the local Dyestuffs market showed greater activity than has been evidenced for some time and an improvement in prices took place. This has been added to by recent rises in indent prices. Increases were registered in Acid Scarlet (U.S.A.) N to \$1,200 per picul and N (Calco) to \$1,000. Auramine O (British) improved to \$1,200 per picul and Congo Red 210 to \$640. Direct Black (U.S.A.) rose to \$800 per picul and Direct Bordeaux to \$1,150. Direct Blue also improved in two specifications, 93 to \$300 and 140 to \$640. Ponsol Blue RSV (Dupont) 25 catty packing improved to \$8,500 per picul and Rhodamine B500% Powder (U.S.A.) to \$3,500. Declines were registered in Direct (U.S.A.) to \$385 and Navy Blue to \$340. Indigo 60% grains (ICI) in 1 catty packing rose to \$900 per picul and the 50% paste (Nacco) in 50-cty. packing to \$650 per picul.

#### Gunny Bags

Lower stocks and a keen demand from North China sent up the price of Gunny Bags further during the week. The spot price of Heavy Cees 29 x 43 x 2½ lbs. 2" green (new) rose to \$3.07 per bag and the forward price of Nepal gunnies was quoted at \$3 each.

#### Rubber

Following the exceptionally high price to which Rubber rose in Singapore immediately following the August Bank holiday, there was a decline in which the local market participated. The rise was attributed to speculation and local traders showed caution. Substantial supplies arrived in the Colony during the week but as they were intended in the main for re-export the local situation remained unchanged. Prices for Smoked Rubber Sheets in general fell heavily and at the end of the week No. 1. was quoted at \$390 per picul, No. 2 at \$385, No. 3 at \$380 and No. 4 at \$375 while Smoked Rubber Ends stood at \$320 per picul. Sole Rubber Crepe prices remained unchanged both for Indonesian and Singapore origin No. 2 at \$500 and \$340 respectively. Pale Crepe No. 2 was quoted at \$240 and Pale Crepe Ends at \$210 per picul.

#### Rice

The arrival of some 3,000 bags of rice from the mainland in the local market combined with the new allocation by the Hongkong Government of first grade Thai rice, caused a decline in the price, although it is not known whether the arrival of the Chinese rice was a sporadic effort or whether further shipments can be expected. Fa Yiu, Victory (red line) declined to \$57 per picul and a fall was registered in See Mew, Fish Brand (green line) which was transacted at \$67 per picul:

Yau Jim, Lung-ngar 1st q. sold at \$49 and Australian rice fell to \$71. On the other hand prices improved for See Mew, Earmer which was offered at \$75 and also for Thai Gummy Rice which was quoted at \$54 per picul.

#### Wheat Flour

A general improvement was noticeable in the Flour market during the past week due, in large measure, to heavy buying by dealers from Taiwan and Thailand who purchased substantial quantities. Australian AWB was in particular demand and, as a result, the price rose to \$13/\$13.30 per bag of 50 lbs. Price improved in Australian White Green to \$14.80 per bag, Battle Ship and Ostrich to \$14 and Queen to \$13.50. American Battle Ship rose to \$15 per bag and Five Bats. to \$13 but otherwise prices remained steady. No changes were noted in the quotations for Canadian Flour.

#### Sugar

The shipment of Cuban Sugar which arrived in Hongkong recently was almost immediately disposed of to Chinese buyers from the mainland. Supplies arriving from Taiwan were also for re-export so that the local shortage has not been met. Shanghai merchants were keen buyers and some 2,000 tons left the Colony for that city by the Kowloon-Canton Railway during the week. Local prices remained firm and in some instances improved: Cuban refined sugar, with export permit, was sold at \$67/\$70 per picul, British refined 1st quality rose to \$75 and African Brown Sugar No. 18 1st qual. fetched \$66 per picul.

#### Vegetable Oils, Ores & Other China Produce

Little business was done in Vegetable Oils during the week, although prices remained firm. The reduction in price of the USA selling offer to US 23½ cents per lb. c. & f. for Tung Oil (Woodoil) caused buyers to hold back, and the local market price which at first was quoted at \$205 per picul for export quality, fell at the close to \$195 with buyers counteroffering at \$192. The same applied to Teaseed Oil 4% acid which was quoted at \$175 with counteroffers at \$170 per picul, the European buying offer having dropped to £170 per ton. Aniseed Oil 15% rose to \$935 per picul but as buyers would not pay this price it declined to \$920 per picul. Some demand for the export quality of Rapeseed Oil 4% acid sent up the price to \$110 per picul. Cassia Oil 85% was quoted at the lower rate of \$1700 per picul. Linseed Oil also fell to \$105 per picul. Soyabean Oil showed an increase to \$104 per picul. Tunghing Copra Oil in drums rose to \$138 per picul.

Stricter controls imposed by the Chinese Communists upon exports of Mineral Ores have increased the difficulty of obtaining supplies for the local market, and prices as a consequence have risen further. Chinese Wolfram (Tungsten) 65% was quoted at the higher rate of \$450 per picul. Sales

of Yunnan Tin, Regulus 99% took place at \$750 per picul. Tin for soldering, which is still obtainable in fair quantities, rose to \$340 per picul for the 50% and \$285.60 for the 42% with several transactions. Kwangsi Copper (Coin) Ingots rose further to \$135 per picul, supplies being low. Antimony 99%, following heavy purchases by Indian interests, rose to \$180 per picul. Chinese Pig Lead 99%, with plentiful supplies on hand, fell to \$90 per picul.

The market in Cassia Lignea was quiet, although prices continued to rise with purchases by Indian firms: the 84-catty packing (West River) 1st quality showed an increase to \$72 per picul, while the 60-catty packing rose to \$76 (West River) 1st qual. Cassia in bulk was quoted at \$66.50 per picul, Tunghing Cassia Scraped sold at \$98 per picul and Cassia Unscraped at the same figure. Aniseed Star showed an increase, Nanning 1st qual. being offered at \$105 and 2nd qual. at \$72 per picul, while the Tunghing product stood at \$90 per picul. Gallnuts from Luichow showed an increase to \$130 per picul. Szechuan Ramie rose to \$145 per picul.



## Exports of Hongkong Manufactured Commodities for July 1950.

During July 1950, Hongkong manufactured goods exported under Imperial Preference Certificate or Certificate of Origin showed a total value of HK\$ 30,108,009, or an increase of 166.4% above the figure for June of \$15,051,419. Actually, the increase was confined to exports of cotton yarn, which reached the record amount of \$20.5 million as against \$3.4 m. in June; the greater part of the yarn being despatched to Pakistan.

In other respects, with the exception of cotton piece goods which amounted to \$1.99 m. as against the June figure of \$1.11 m., exports were lower than in the previous month; flashlight torches came to \$957,740 (June \$1.11 m.), knitted wares to \$823,646 (\$1.27 m.), shirts & clothing \$706,266 (\$1.41 m.), enamelwares \$663,308 (\$1.33 m.).

The values of locally-made goods exported under I.P.C. or C.O. for the January/July period of this year are shown below:—

1950	
January .....	\$ 9,704,802
February .....	9,060,934
March .....	11,733,148
April .....	16,221,142
May .....	13,870,879
June .....	15,051,419
July .....	30,108,009
<b>Total .....</b>	<b>\$105,750,133</b>

As mentioned above, exports to Pakistan came first to the value of \$21.46 million, (June \$4.1 m.), the United Kingdom was next with \$1.42

m. (\$3.69 m.), Australia third with \$1.24 m. (\$900,000), the Br. West Indies fourth with \$1.12 m. (\$1.05 m.) and Malaya fifth with \$1.13 m. (\$985,000). Details of the countries to which local goods were despatched during July follow:—

### Exports to Countries requiring I.P.C. or C.O. in July 1950

	HK\$
Pakistan .....	21,461,380
United Kingdom .....	1,422,500
Australia .....	1,237,398
Br. West Indies .....	1,125,994
Malaya .....	1,132,601
Br. West Africa .....	892,620
Ceylon .....	788,790
Br. Empire Others .....	574,180
Union of South Africa ..	358,670
Br. East Africa .....	185,926
Central America .....	158,664
Egypt .....	122,940
Thailand .....	121,727
Br. North Borneo .....	119,737
New Zealand .....	106,333
Port. East Africa .....	90,158
Indonesia .....	62,414
North Europe .....	50,119
India .....	44,500
Syria .....	27,588
Burma .....	16,104
Iraq .....	4,343
Philippine Islands .....	3,323
<b>Total .....</b>	<b>\$30,108,009</b>

The following table shows exports of the principal goods under I.P.C. and C.O. during January/July 1950:—

	Cotton Yarns \$ m.	Shirts etc. \$ m.	Knitted wares \$ m.	Rubber Shoes \$ m.	Cotton Pce. Gds. \$ m.	Enamel- wares \$ m.	Flash- lights \$ m.
1949							
Monthly average:	0.24	0.50	0.64	1.11	1.53	0.72	0.52
1950							
January	0.50	0.62	2.07	1.97	1.03	0.69	0.34
February	1.51	0.52	1.87	1.31	0.81	0.52	0.52
March	0.88	1.28	2.66	2.31	0.72	0.64	0.65
April	1.53	2.69	3.51	2.05	0.95	1.17	0.82
May	0.48	3.08	2.13	1.23	1.06	0.99	0.60
June	3.35	1.41	1.27	0.56	1.11	1.33	1.12
July	20.47	0.71	0.66	0.58	1.99	0.66	0.96

Details of exports of locally-manufactured goods under I.P.C. and C.O. during the month of July are given below:—

### Exports of Hongkong manufactured goods under I.P.C. and C.O. issued during the month of July 1950:—

	Quantity	HK\$
Cotton Yarn	18,019 bales	20,468,614
Cotton Piece Goods	1,769,018 yds.	1,991,039
Flashlight	62,352 doz.	957,740
Knitted Ware	56,921 doz.	
	4,100 yds.	823,646
Shirts, & Clothing	14,829 doz.	706,266
Enamel Ware	122,682 doz.	663,308
Rubber Shoes	205,054 pairs	582,165
Silk & Mill (Art.)	120,303 yds.	360,558

	Quantity	HK\$
Cigarettes	416 c/s	259,500
Camphor Tablets	77,600 lbs.	20,717
Matches	11,234,400 boxes	229,003
Umbrellas	8,497 doz.	228,483
Fire Crackers	2,834 c/s	201,773
Bulbs for Flashlights	3,670,984 pcs.	190,638
Buttons	5,322 gt. grs.	161,927
Towels	18,700 yds.	
	5,200 yds.	133,711
Toys	49,488 doz.	
	65 sets	130,147
Needles	57,762,000 pcs.	124,668
Vacuum Flasks	2,735 doz.	105,143
Rattan Ware	13 c/s	
	68 bales	
	3,900 sq. ft.	99,218
	13,038 sets	
	121 crates	
	1,287 pcs.	

	Quantity	HK\$
Rattan Cane & Peel	713 bales ) 864 sets ) 7 pcls. ) 3 c/s )	97,973
Hurricane Lanterns	4,156 doz.	91,299
Kerosene Lamps	3,479 doz.	84,919
Cosmetic & Perfumery	15,678 doz.	
	30,000 bales )	79,074
Plastic Ware	8,943 doz.	78,551
Batteries	31,500 doz.	65,323
Glass Ware	21,038 doz.	64,413
Tea	18,560 lbs.	54,198
Printed Paper	18,350,000 pcs.	50,550
Proprietary Medicines & Chinese Raw Medicine	11,508 lbs. ) 6,000 btls. ) 759 doz. )	47,592
Embroidery	842 sets )	44,908
Shoe Laces	7,180 grs. prs.	44,062
Leather Shoes	6,306 pairs	43,880
Handkerchiefs	11,150 doz.	42,520
Tooth Brush	728 gross	36,371
Feathers	79 pcls.	34,913
Socks	20,300 lbs.	34,578
Hats & Caps	4,426 doz.	34,257
Leather Ware	2,464 doz.	27,342
Canning & Preserved	23,466 lbs. ) 14 drums ) 7 sets )	26,350
Machinery	1 picul	18,200
Camphor-wood Chest	232 pcs.	
	71 sets )	17,782
Ginger, Preserved	11,929 lbs.	16,802
Ropes	16,759 lbs.	16,053
Mosquito Destroyers	45,300 boxes	15,858
Rain Coats	101 doz.	12,854
Gourmet Powder	49 doz.	
	100 lbs.	12,173
Pencils	1,200 gross	11,285
Hard Wares	4,980 gross ) 600 sets ) 336 lbs. )	10,655
Lamp Wicks	280 gross	9,565
Eggs	800 lbs.	8,800
Electrical Accessories	1,002 doz.	8,592
Iron Charcoal	45 doz.	2,790
Bean Stick	700 lbs.	1,670
Fibre Ware	36 pcs.	1,247
Rubber Rare	500 lbs.	1,180
Printed Cloth	200 doz.	640
Candles	8,000 pcs.	454
Ivory	69 pcs.	432
Cotton Thread	12 doz.	280
<b>Total .....</b>		<b>\$30,108,009</b>



## Trade Enquiries for Hongkong Firms

The following enquiries have been received by the Dept. of Commerce & Industry and the originals may if desired be seen at the office of the Secretary, Mr. J. W. Ferris, 2nd floor, Fire Brigade Building. The Department of Commerce and Industry does not accept any responsibility for the financial soundness or integrity of the firms named, but where the firm provides a reference, this is given. Interested parties are asked to write direct to the firms named.

### Hongkong Exports required:

Enquirer  
The Oriental (West Africa)  
Co., Ltd.  
P.O. Box 305,  
Lagos, Nigeria.  
Cables—"ORIENTAL"  
Bankers—Nigerian Farmers &  
Commercial Bank  
Ltd., Tinubu Sq.,  
Lagos.

Leslie P. Crow,  
25, Boundary Rd.,  
St. Johns Wood,  
London N.W. 8.

Muthra Das Sooraj Bhan,  
Rajamandi, Agra.

Olayinka Bros.,  
10 Ojogiwa St.,  
Lagos, Nigeria.

Christopher Idowulajida &  
Bros.,  
1. Johah Lane,  
Lagos, Nigeria.

Temdire & Bros.,  
32a Luther St.,  
Lagos, Nigeria.

Akindipo & Bros.,  
41 Balogun St.,  
Lagos, Nigeria.

F. A. Fasunle & Bros.,  
7a Cole St.,  
Lagos, Nigeria.

Luria et Cia. S.A.  
763, Apartado,  
Caracas, Venezuela.  
Cables—LURIA.  
Bankers—Chemical Bank &  
Trust Co., N.Y.

F. J. Page Esq.,  
29, Fenchurch Street,  
London, E.C. 3.

Finexport Ltd.,  
4, Portsdown Avenue,  
London, N.W. 11.

Omiade Stores Company,  
185, Bomgnose Street,  
Lagos, Nigeria.

Acquer Ltd.,  
24, Hanover Street,  
London, W. 1.

Fair Isle Co., Ltd.,  
60, Brixton Road,  
London, S.W. 8.

Mattay & Co., Ltd.,  
Elmswood Road,  
Liverpool, 17.

F. Perrin & Co.,  
6, Cotton Gardens,  
London, E. 2.

J. F. Boswell Ltd.,  
32, Tottenham Court Road,  
London, W. 1.

V. M. Glynn Ltd.,  
Coventry House,  
South Place,  
London, E.C. 2.

Nature  
Torches, bulbs, camphor tablets,  
leather & plastic belts, watch  
bracelets, umbrellas, hurricane  
lamps, vacuum flasks, mirrors,  
cutlery, canvas shoes, enamel-  
ware, shirts and singlets.

All types of wool, cotton & silk  
materials. Soft Goods. Wish  
to contact manufacturers re  
agencies.

Hongkong products generally.

Provisions, hardware, haber-  
dashery, earthenware, crockery,  
medicines, velvets & velveteens,  
Damasks.

Torches, Watch Bands, Under-  
wear, Straw hats & mats,  
camphor tablets, playing cards,  
socks, pencils, sewing machines,  
bicycle tyres & tubes, shoes,  
penknives, padlocks, cameras,  
enamelware.

Fully carved camphorwood  
boxes, nests of teakwood tables,  
teakwood liquor tables, ivory  
figures, ivory chess sets, jewel  
& powder boxes, embroidered  
linens & handkerchiefs.

Textile manufacturers and  
exporters.

Rayon & Cotton Piece Goods.

All types of goods.

Rayon & Silk Piece Goods.

Textiles.

Industrial Gloves of Chrome  
Leather, Hide, Cotton and  
Rubber.

Fancy Goods, Toys, Rubber  
Footwear, Textiles and Table  
tennis balls.

Cellular type Shirts.

Baskets.

Abdulhadi Steita,  
P.O. Box 101,  
BENGHAZI.

"SUSCA",  
10, Rue de Hollande,  
GENEVA.

Mrs. R. F. Burns,  
Clifford & Co. (London) Ltd.,  
392, Strand,  
London W.C. 2.

Econome Freres et cie,  
Box 222,  
Elizabethville,  
Congo Belge.

Agents:  
Mr. Hasson,  
Anglo-African Shipping Co.,  
99/100, Fenchurch Street,  
London, E.C. 3.

All Hongkong Goods.

Chinese Silk goods.

Embroidered linen, Blouses  
Childrens' garments, underwear  
and Enamelware.

Enamelware—80 cm. size, deep  
wash basins, plain & floral.  
Enamel must be antimony free.  
Small basins sizes 18, 20, 22 &  
24 cm.

Vacuum Flasks, Torches, Rubber  
Shoes, Shirts, Singlets, Buttons,  
Pencil and embroidered table  
cloths.

### IMPORTS AVAILABLE FOR HONGKONG

Aly Aly El-Bilasy & Sons,  
Nahas Pasha St.,  
Port Said.  
Cables—BILASYFISHER.  
Bankers—Ottoman Bank,  
Bank of Athens.

John Dee (Qld) Pty. Ltd.,  
Bank of New South Wales  
Chambers,  
Eagle Street,  
Brisbane.

Onions, Potatoes, Dried & Fresh  
Fruits, Vegetables.

Hams, 400 per month available,  
packed in cases of ten, at 3/1d.  
per lb. F.O.B. Brisbane.



## The Trade Union Law of China

Adopted by the Central People's Government Council on June 28, 1950

The Trade Union Law is promulgated for the purpose of defining precisely the legal status, functions and obligations of trade union organisations in the New Democratic regime, to enable the working class to become better organized to play its due part in the New Democratic reconstruction.

### SECTION ONE

#### General Principles

##### Article 1.

Trade unions are mass organizations voluntarily formed by the working class. All manual or non-manual workers, employed by enterprises, institutions and schools in Chinese territory and for whom wages constitute the sole or main part of their means of living and all wage workers, without specific employers, have the right to organize trade unions.

##### Article 2.

Trade unions should be organized on the principle of democratic centralism, in accordance with the stipulations of the constitution of the All-China Labour Congress. Trade union committees at all levels should be set up by election at meetings of members or delegates.

Members of trade unions have the right to recall representatives or committee members whom they have elected at any time, in accordance with the rules laid down in the constitution of the trade unions. Trade union committees at all levels shall report on their work to the members or representative conferences which they represent and shall carry out the decisions and directives of the higher union organizations.

##### Article 3.

Trade unions are the mass organizations formed in conformity with the resolutions and the constitutions passed by the All-China Labour Congress and the various representative congress of industrial unions (including the trade union of cultural and educational workers, and the trade union of government workers). Their organization is national, independent and united, having the All-China Federation of Labour as the highest leading organ. All trade unions, immediately after they are set up, must report to the ACFL or its affiliated industrial unions or local unions. These will examine and ratify their setting up and will register them with the appropriate local people's government organs.

##### Article 4.

All bodies not organized on the basis of Article 3 of this law shall not be called trade unions, and shall not be entitled to the rights laid down in this law.

### SECTION TWO

#### Rights And Duties of Trade Unions

##### Article 5.

Trade unions in enterprises operated by the state and by the cooperatives have the right to represent the masses of employed workers and staff members, to take part in the administration and to sign collective agreements with the management.

##### Article 6.

Trade unions in privately operated enterprises have the right to represent the masses of employed workers and staff members, to carry out negotiations and talks with the owners, to take part in labour-capital consultative councils and to sign collective agreements with the owners.

##### Article 7.

Trade unions have the obligation to protect the interest of the masses of workers and staff members, and to observe that the managements or the capitalists actually carry out the regulations and directives concerning labour protection, labour insurance, wage standards, the regulation of factory hygiene and safety devices and other matters as laid down in government decrees. The trade unions also have the obligation to carry out measures to improve the material and cultural life of workers and staff members.

##### Article 8.

Trade unions at all levels, in enterprises operated by the state and by the cooperatives have the right to ask the managements at the corresponding levels to report their work to the trade union committees, the membership meetings or the representative conferences. They have also the right to take part as representatives of the masses of workers and staff members in the meetings of the administrative committees or the managements at the corresponding levels.

##### Article 9.

Trade unions shall carry out the following work, according to their constitutions and decisions, in order to protect the fundamental interests of the working class:

1. To educate and organize the masses of workers and staff members to support the laws and regulations of the people's government, to carry out the policies of the people's government and to consolidate the people's state power, led by the working class.
2. To educate and organize the masses of workers and staff members to establish a new attitude towards labour emulation campaigns and other production movements in order to ensure the fulfilment of the production plan.
3. To protect public property in enterprises operated by the state and by the cooperatives or in institutions

and schools; to oppose corruption, waste and bureaucracy; to fight against sabotage.

4. To promote the policies of developing production and of benefiting both labour and capital in privately owned enterprises, and to oppose violations of government decrees and actions detrimental to production.

##### Article 10.

Governments at all levels shall allocate to the All-China Federation of Labour, the industrial unions and local unions buildings and furnishings which are necessary to enable them to carry out their office work, meetings, educational, recreational and welfare work. Governments at all levels shall also give the trade unions similar preferential treatment in the use of postal, telegraphic, telephone, railway, motor-road and navigation facilities as is enjoyed by government institutions at the corresponding levels.

##### Article 11.

The managements of publicly-owned enterprises or the owners of privately-owned enterprises may transfer or remove a member of the trade union committee elected by the workers from his work if they obtain the endorsement of the trade unions concerned beforehand and this can be effected only after the matter has been reported to the higher trade union and ratified by it.

##### Article 12.

Members of trade union organizations at all levels or representatives sent by them and provided with trade union credentials, may inspect the workshops and dormitories of the enterprises, institutions and schools affiliated with the trade union organizations. The management or the owners may not refuse such inspections except in certain specially stipulated cases.

### SECTION THREE

#### Basic Organization Of The Trade Union

##### Article 13.

Factories, mines, shops, farms, institutions, schools and other productive or administrative units with more than twenty-five workers and staff members may set up a basic trade union committee (the factory, mine, institution committee, etc.). Those having less than twenty-five persons may elect one organizer, who has the same rights as the basic trade unions committee. Rules governing the organization of the basic trade union committees shall be worked out by the All-China Federation of Labour or the national committees of the industrial unions.

##### Article 14.

Apart from the basic trade union committee ratified by the industrial unions or the local unions in accordance with Articles 3 and 13 of this law, the



many other organizations in factories, mines, shops, farms, institutions, schools and other productive or administrative units shall not be entitled to the rights of the basic trade union committees.

#### Article 15.

The number of trade union functionaries in the basic trade union committees who do not engage in production work shall be decided in accordance with the number of workers and staff members employed in the factories, mines, shops, farms, institutions and schools and other productive or administrative units. The ratios are as follows:

Number of workers and staff members	Number of trade union functionaries
200-500	1
501-1000	2
1001-1500	3
1501-2500	4
2501-4000	5

One trade union functionary may be added for every additional two thousand workers in enterprises with over four thousand workers. Basic trade union committees in enterprises with less than two hundred persons may have a full-time trade union worker only with the permission of the higher trade union organization.

#### Article 16.

After a basic trade union committee has been elected, the management or the owner should be notified of the list of names of the members of the committee. The management or the owner must release those members who are required to be free from productive work, as decided by the basic trade union committee.

#### Article 17.

Trade unions workers in the basic committees, who are not engaged in production, shall be paid by the trade union. Their wages shall not be lower than the original wages. They shall continue to share in the labour insurance and other welfare provisions paid for by the management or the owner. After completing their term of office, the management or the owner shall ensure that they return to their original post or post with the same pay.

#### Article 18.

The management or the owners of factories, mines, shops, farms, institutions, schools, and other productive or administrative units shall not hinder the meetings of members or delegates which they convene. But the meetings called by the trade unions should not be held during working hours unless special circumstances require this, when it must have the endorsement of the managements or the owners. If members of the basic trade union committee who still engage in production need to conduct trade union activities in working hours, the trade union must notify the management or the owners. In any case, trade union work under-

taken during working hours should not exceed two working days per month for any person. In such cases, wages shall be paid in full.

#### Article 19.

Elections of representatives of trade unions to the people's representative conferences or the people's congresses, in accordance with the directives of the government authorities at city or county levels or above, or elections of trade union representatives to trade union congresses in accordance with the directives of the trade union councils at provincial or city levels or above may be held during working hours if it is necessary. In private enterprises, representatives of workers and staff members who take part in these or other conferences shall be paid by the institutions who call the conferences for the time evolved in the sessions.

#### Article 20.

The managements or the owners of the factories, mines, shops, farms, institutions, schools and other productive or administrative units employing one hundred or more workers shall provide necessary building and other facilities (such as water, electricity and furniture) for use as offices by the basic trade union committees and shall provide, permanently or temporarily, a suitable place for the mass meetings or representative conferences. Those employing less than one hundred persons, if unable to provide a separate office for the trade union, shall provide a special trade union desk in rooms for general use. Trade unions may also hold meetings in such rooms.

#### Article 21.

The managements or the owners of factories, mines, shops, farms, institutions, schools and other productive or administrative units shall inform the trade union committees when they are engaging workers and staff members. The basic trade union committee has the right to protest, within three days, if it discovers that such engagements violate laws or decrees of the people's government or run counter to collective agreement. Disputes arising from the management or owners disagreeing with such protests by the basic trade union committees shall be settled in accordance with the procedure for labour disputes.

#### Article 22.

The managements or the owners of factories, mines, shops, farms, institutions, schools and other productive or administrative units shall inform the trade union committees ten days in advance of the name of any worker they wish to discharge, giving reasons for this. The basic trade union committee has the right to protest, within seven days, if it discovers that the discharge of a worker violates any government decrees or collective agreements. Disputes arising from the managements or owners disagreeing with such protests by the basic trade union committees shall be settled in accordance with the procedure for labour disputes.

### SECTION FOUR

#### Trade Union Finance

##### Article 23.

The principle of independence in financial matters shall apply to trade unions in their budgets, balance sheets and auditing of accounts.

##### Article 24.

The sources of income of trade unions shall be:

- A. Membership dues of trade union members, paid in accordance with the constitution of the All-China Federation of Labour.
- B. The managements or the owners of factories, mines, shops, farms, institutions, schools and other productive or administrative units shall allocate to the trade union organizations each month, as trade union funds, a sum equal to two per cent of the total amount of the real wages (including those paid in currency and in commodity and board) of all manual and non-manual workers employed (excluding agents of the owners in privately owned enterprises). Of this, 1.5 per cent of the total amount of real wages shall be used

(Continued on Page 202)



## The Agrarian Reform Law of China

Adopted by the Central People's Government Council on June 28, 1950

### SECTION ONE

#### General Principles

##### Article 1.

The land ownership system of feudal exploitation by the landlord class shall be abolished, and the system of peasant land ownership shall be carried into effect in order to set free the rural productive forces, develop agricultural production and pave the way for the industrialization of the new China.

### SECTION TWO

#### Confiscating And Requisitioning of Land

##### Article 2.

The land, draught animals, farm implements and surplus grain of the landlords, and their surplus houses in the countryside shall be confiscated, but their other properties shall not be confiscated.

##### Article 3.

The rural land belonging to ancestral shrines, temples, monasteries, churches, schools, institutions and other public land shall be requisitioned, but appropriate measures should be worked out by the local people's government to solve the financial problems of such schools, orphanages, homes for the aged, hospitals, etc., as are dependent upon income from the above land. Some or all land owned by mosques may be retained by them subject to the consent of the Moslems residing in the area.

##### Article 4.

Industry and commerce shall be protected from infringement. Industrial and commercial enterprises run by landlords and the land and other properties used directly by landlords for the operation of industrial and commercial enterprises shall not be confiscated. In the process of confiscating feudal land and other properties, no infringement upon industry and commerce is permitted.

(Continued from Page 201)

in cultural and educational work for the workers.

- C. Income deriving from cultural and physical training undertakings sponsored by the trade unions.
- D. Subsidies from the people's governments at various levels.

##### Article 25.

Rules for using the incomes of the trade union committees at all levels shall be worked out by the All-China Federation of Labour.

### SECTION FIVE

#### Appendix

##### Article 26.

This law has been passed by the Central People's Government Council of the People's Republic of China and shall be promulgated and carried into effect.

Land and peasant dwellings in the countryside which are owned by industrialists and merchants shall be requisitioned, but their other rural properties and lawful enterprises shall be protected from infringement.

##### Article 5.

Revolutionary army men, dependents of martyrs, workers, employees, professional people, pedlars and others who engage in non-agrarian occupations or lack labour power shall not be classified as landlords if they rent out small portions of land. If the average per capita landholding of such families does not exceed 200 per cent of the average per capita landholding in the locality, it shall remain untouched. (For instance, if the average per capita landholding in the locality is two mow and the average per capita landholding of such family members does not exceed four mow.) If it exceeds this proportion, the surplus land may be requisitioned. If the land proves to have been purchased with the earnings of the owners' own labour or if old persons living alone, orphans or invalids, depend on this land for their livelihood, allowance may be made for such persons according to their individual cases even though their average per capita landholding may exceed 200 per cent.

##### Article 6.

Land owned by rich peasants and cultivated by them or by hired labour, and their other properties, shall be protected from infringement. Small portions of land rented out by rich peasants shall also be retained by them. But in certain special areas, part or all of the land rented out by rich peasants may be requisitioned with the approval of the people's governments at provincial or higher levels. If the portions of land rented out by rich peasants of a semi-landlord type exceed in size the land worked by them or by hired labourers, the land rented out should be requisitioned. When rich peasants rent out land and are also tenants of land, these should be balanced against each other in computing their landholdings.

##### Article 7.

Land and other properties of middle peasants (including well-to-do middle peasants) shall be protected from infringement.

##### Article 8.

Transfer or dispersal after liberation by sale, mortgage, gift or any other means of any land which according to this law should be confiscated or requisitioned is null and void. Such land should be included in the distributed land. But if the peasants who bought or took mortgages on the land will thereby suffer any considerable losses, measures should be worked out to recompense them suitably.

##### Article 9.

The legal definition of landlords, rich peasants, middle peasants, poor peasants, farm labourers and other component classes of rural society will be dealt with elsewhere.

### SECTION THREE

#### Distribution of Land

##### Article 10.

All confiscated or requisitioned land and other means of production, with the exception of those to be nationalized as provided by this law shall be taken over by the *hsiang*\* peasant associations for distribution in a unified, equitable and rational manner to poor peasants with little or no land and to those who lack other means of production. Landlords shall be given an equal share so that they can rely on their own labour for their living and can reform themselves through labour.

##### Article 11.

The unit for distributing land shall be the *hsiang* or administrative village corresponding to a *hsiang* and within this unit it will be distributed in a unified manner according to population. The method will be that of readjusting landholdings, having regard to quantity, quality and convenience of location, while observing the principle of allotting the land to the peasant tilling it. However, *chu*\*\* or county peasant associations may make certain necessary adjustments between various *hsiang* or administrative villages corresponding to a *hsiang*. In areas of extensive territory and sparse population, for convenience in cultivation, units for land distribution may be smaller and below the level of the *hsiang*. The land lying across the boundary of two *hsiang* shall be allocated for distribution to the *hsiang* where the tiller resides.

##### Article 12.

Under the principle of allotting land to the tiller, land owned by the tiller shall not be drawn upon for distribution during land distribution. When rented land is drawn upon for distribution, proper regard should be given to their tiller. The land he acquires through land distribution plus his own landholding (if he has land) shall be slightly and suitably more than the landholding, after distribution, of the peasants who had little or no land. This is in line with the principle that the tiller retain the approximate average per capita landholding in the locality.

If the tiller possesses the surface rights of the land he rents, a portion of land equivalent to the price of the surface rights in that locality shall be reserved for him if his present land is drawn upon.

\*A *hsiang* is an administrative unit embracing several villages.

\*\**Chu* is a sub-district below county level.



## Article 13.

During land distribution, certain special problems of the landless and land-poor population shall be settled as follows:

a. Poor peasants who can work but have no or only one family dependent may be given more land than the allotment for one or two persons if land conditions in the hsiang permit.

b. Rural handicraftsmen, pedlars, professional people and their dependents should be given a partial share of land and other means of production according to their individual cases. But if their earnings from these occupations are sufficient to maintain their dependents constantly, land need not be allotted to them.

c. If their homes are in the countryside, martyrs' families (the martyr himself can be counted as a family member), commanders, fighters, wounded and demobilized servicemen of the People's Liberation Army, functionaries of the people's government and people's organizations as well as their families (including those who travel with the army) shall be given shares of land and other means of production equal to those of the peasants. But with regard to the functionaries of the people's government and people's organizations, less land or none may be allotted in proportion to the amount of their salaries and other income, and the degree to which they are able to maintain their dependents.

d. If local persons take up a profession in another place, their dependents still living in the village should be given other means of

production according to their individual cases. But if the income from their professions is adequate to maintain their dependents constantly, land need not be allotted to them.

e. Monks, nuns, priests and other religious personnel should be given shares of land and other means of production equal to those of the peasants if they have no other means of livelihood and are able and willing to engage in agricultural work.

f. Unemployed workers and their dependents who return to the countryside with certificates from the municipal government or trade union should be given shares of land and other means of production equal to those of the peasants if they ask for land and are able to engage in agricultural work and if local land conditions permit.

g. Landlords who return after running away and persons who once worked for the enemy but return to the countryside and the families of such persons, provided they are willing to earn a living by agricultural work, should be given shares of land and other means of production equal to those of the peasants.

h. Land shall not be given to those whose homes are in the countryside and whom the people's government has ascertained to be collaborators, war criminals, counter-revolutionaries who have committed extremely grave crimes, or criminals who have persistently sabotaged agrarian reform. Members of their families, who have not participated in their criminal acts, and provided they have no other occupation by which to live, and are able and will-

ing to take up agricultural work, should be given the same share of land and other means of production as peasants.

## Article 14.

During land distribution, on the basis of the hsiang, in accordance with local land conditions, small portions of land may be reserved for use on the return of families who have gone away or who have fled but whose conditions are not yet clearly known, or for use in adjusting land in the locality. For the time being, such land shall be under the control of the hsiang people's government and be rented to the peasants for cultivation. However, the land thus reserved must not exceed the maximum of one per cent of all land in the hsiang.

## Article 15.

During land distribution, the people's government of county level or above may, in accordance with the local land situation, set aside part of the land to be nationalized and used for agricultural experiments or as state model farms for one county or more. Such land may be rented to peasants for cultivation until the farms are established.

## SECTION FOUR

## Treatment of Special Land Problems

## Article 16.

Confiscated and requisitioned woods, fish ponds, tea groves, tung oil plantations, mulberry fields, bamboo groves, orchards, reed lands, wasteland and other distributable land should be evaluated in terms of ordinary land on the basis of an appropriate ratio and



distributed in a unified way. In the interests of production, these tracts of land should first be allotted as far as possible to the peasants who have hitherto utilized them. Persons receiving this kind of land may be given little or no ordinary arable land. If this kind of distribution is detrimental to production, the land may be operated by the local people's government properly and under democratic management while observing established customs.

#### Article 17.

Confiscated and requisitioned irrigation works, such as dams and ponds, should be distributed together with the fields if they are distributable. If it is not convenient to distribute them, they should be democratically managed by the local people's government in conformity with established customs.

#### Article 18.

All great forests, large water conservancy works, large expanses of wasteland, large uncultivated hillsides, big salt fields and mines as well as lakes, marshes, rivers and ports must be nationalized and be managed and operated by the people's government. Those in which private capital has been invested and which have so far been privately managed shall continue to be operated by the existing management, according to the decrees promulgated by the people's government.

#### Article 19.

The farms, seedling nurseries and agricultural experimental areas that are cultivated with machinery or other advanced equipment and the large bamboo groves, tung oil plantations, large mulberry fields and large pastures — where technique is essential — shall continue under their existing management, and should not be dispersed. But if such land is owned by landlords, it may be nationalized with the approval of the people's government at the provincial level or above.

#### Article 20.

All grave yards and woods surrounding the graves must remain intact during the confiscation and requisition of land.

#### Article 21.

Scenic spots and places or historical relics should be carefully preserved. Ancestral shrines, temples, monasteries, churches and other public buildings and landlords' houses should not be damaged. Surplus houses of landlords in the countryside which are not suitable for the use of peasants may come under the management of the local people's government and be used for public purposes.

#### Article 22.

Wasteland reclaimed after liberation should not be confiscated during land distribution and should continue to be tilled by the reclamer. It should not be included in the amount of land to be distributed to him.



## Article 23.

Small portion of land necessary for maintaining bridges in repair, for highway upkeep, resting points, free ferries and such public facilities may be reserved according to established customs and not distributed.

## Article 24.

Land and houses owned by overseas Chinese should be handled in accordance with appropriate measures determined by the people's governments (or military and administrative committees) of the various big administrative areas or by provincial people's governments on the principle of having regard for the interests of overseas Chinese and in keeping with the general principles of this law.

## Article 25.

Sandy and shoaly land owned by landlords or public bodies should be nationalized and handled in accordance with appropriate measures determined by the people's governments at provincial level or above.

## Article 26.

Land bordering railways, highways, river banks and river dykes that is needed for their protection or land occupied by airfields, harbours and fortifications should not be distributed. The sites of projected railways, highways, waterways and airfields whose date of construction has been fixed shall be reserved with the approval of the people's government at provincial level or above.

## Article 27.

Private persons managing land owned by the state may not rent it out, sell it or leave it untended. If the private operators no longer need the land, it must be returned to the state.

## SECTION FIVE

## Organizations and Methods for Carrying Out Agrarian Reform

## Article 28.

In order to strengthen the leadership of the people's governments in the work of agrarian reform, the people's governments at county level or above should, at the time of agrarian reform, organize agrarian reform committees composed of persons elected or nominated by people's representative councils or persons appointed by the people's governments of a higher level. These committees are responsible for directing and handling all matters concerning agrarian reform.

## Article 29.

Village peasant meetings, peasant representative conferences and committees of peasant associations elected at such conferences, the peasant congresses at chu, county and provincial levels and committees of peasant associations elected at such congresses are the legal organizations for reforming the agrarian system.

## Article 30.

After agrarian reform is completed, the people's government shall issue title-deeds and shall recognize the right of all land owners to manage, buy, sell or rent out land freely. All land contracts made before the reform of the agrarian system shall be null and void.

## Article 31.

The determination of class status shall be carried out according to the decisions on class differentiation in the countryside issued by the Central People's Government. It shall be determined by democratic estimation and decision at the village peasant meetings and peasant representative conferences under the leadership of the village people's governments, by the method of self-assessment and public discussion. If any person concerned is not a member of a peasant association, he should, nevertheless, be invited to participate in the estimation and decision at the meetings and be allowed to argue his case.

The estimation and decision must be reported to the chu people's government for ratification. Where any person concerned, or any other person, does not agree with the result, an appeal may be lodged with the county people's court, which shall pass judgment and carry it into effect.

## Article 32.

A people's court shall be set up in every county in the course of agrarian reform to ensure that it is carried out. The court shall travel to different places, and try and punish, according to law, hated despotic elements who have committed heinous crimes, whom the masses of the people demand to be brought to justice, and all such persons who resist or violate the provisions of the Agrarian Reform Law and decrees. Indiscriminate arrest, beating or killing of people, corporal punishment or the like are strictly forbidden.

The organizational regulations of the people's court will be elaborated separately.

## Article 33.

To maintain order during agrarian reform and to protect the people's property, it is strictly prohibited to slaughter draught animals or fell trees without authorization, let land lie untended, destroy farm implements, irrigation works, buildings, crops or the like. Offenders shall be tried and punished by the people's court.

## Article 34.

To ensure that all agrarian reform measures conform to the interest and wishes of the overwhelming majority of the people, people's governments at all levels shall be responsible for fully safeguarding the democratic rights of the people and the rights of the peasants and their representatives to criticize freely and bring charges against working personnel of any sphere or level at all meetings. Anyone who infringes these rights shall be punished according to law.

## SECTION SIX

## Appendix

## Article 35.

This law shall apply to the rural areas in general, but not to the areas in the vicinity of big cities for which agrarian reform regulations will be formulated separately. The big cities referred to in this article shall be determined by the people's governments of the big administrative areas (or their military and administrative committees) according to the circumstances of the cities.

## Article 36.

This law shall not apply to areas of national minorities. But in areas where the Han nationality is in the majority, scattered inhabitants of national minorities shall be treated in the same way under this law as the people of Han nationality in carrying out the agrarian reform in those localities.

## Article 37.

This law shall not apply to areas where agrarian reform has in the main been completed.

## Article 38.

All areas which begin agrarian reform after the promulgation of this law, with the exception of the areas referred to in Articles 35, 36 and 37 of this law shall proceed in accordance with this law. The time for starting agrarian reform in various places shall be regulated by decree and made public by the people's governments of the big administrative areas (or their military and administrative committees) and provincial people's governments.

## Article 39.

When this law is made public, each provincial people's government shall formulate regulations for carrying out agrarian reform within its territory in accordance with the principles laid down in this law and the concrete conditions of their territory and shall submit them to the people's governments of the big administrative areas (or their military and administrative committees) and on ratification they shall be put into effect. They shall also be submitted to the Government Administration Council of the Central People's Government to be put on record.

## Article 40.

This law shall come into force after it is ratified and made public by the Central People's Government Council.



### Hongkong Aviation Report For July

**CIVIL AIR TRAFFIC.** 220 aircraft arrived and 213 departed on international flights. The total of 438 movements was 35 more than in June. These aircraft brought in 2,485 passengers and took out 3,122. The total of 5,607 was an average of 181 a day. 24 tons of mail and 199 tons of freight were carried and both these figures show an increase over the previous month.

There were 1,058 local flights by civil aircraft mainly for training and test purposes.

**VISITS.** Sir Hilton Poynton K.C.M.G., Deputy Under Secretary of State for the Colonies, inspected the airport on the 17th and visited the site of the proposed new airport at Deep Bay on the following day.

**WORKS AND BUILDINGS.** The resurfacing of the 2nd runway continues slowly and is subject to much delay by weather. The southern half was completed on the 20th but is only used in emergency as sufficient width is not available for regular use.

The new taxi track was again closed on the 22nd and the work of repairing various places which have subsided is in progress.

**AERADIO.** The installation of the long range radio telephone equipment for use with aircraft in flight was completed and trials were carried out. This new service will shortly be available to all airlines who wish to use it.

#### LICENCES AND CERTIFICATES.

The following were issued:—

"A" Pilot's Licence ..... 2

"B" Pilot's Licence ..... —

2nd Class Navigator's Licence ..... —

The following were renewed:—

"A" Pilot's Licence ..... 1

"B" Pilot's Licence ..... 3

Aircraft Maintenance Engineer's Licence ..... 2

### Hongkong Airport: Traffic of Regular Users in July 1950

	No. of A/C	DEPARTURES			No. of A/C	ARRIVALS		
		Passen- gers	Mail (Kgs.)	Freight (Kgs.)		Passen- gers	Mail (Kgs.)	Freight (Kgs.)
B.O.A.C. ....	27	455	7048	23144	28	486	9009	19817
H.K. AIRWAYS	22	150	754	18312	21	115	275	216
P.A.A. ....	35	569	11	13152	34	443	13	10610
C.P.A. ....	31	392	982	15542	32	360	330	4625
P.A.L. ....	13	421	2330	7531	13	141	278	10190
P.O.A.S. ....	19	203	100	24409	18	101	349	7418
T.A.A. ....	3	30	NIL	3605	3	2	NIL	NIL
S.A.F.E. ....	3	51	NIL	229	3	56	65	3970
AIR FRANCE	13	332	754	2478	13	503	358	2085
S.A.C. ....	4	37	NIL	1947	5	67	32	193
MATCO ....	6	NIL	NIL	NIL	6	4	NIL	NIL
C.P.A.L. ....	4	132	318	181	4	18	73	221
QANTAS ....	4	43	272	368	4	12	134	561

### Hongkong Aviation Report for July 1950

	ARRIVALS			DEPARTURES		
	Passen- gers	Mail (Kgs.)	Freight (Kgs.)	Passen- gers	Mail (Kgs.)	Freight (Kgs.)
United Kingdom ....	117	4849	6885	93	3140	4028
Europe .....	80	134	5258	92	51	495
Middle East .....	35	816	381	32	450	617
Calcutta .....	53	159	503	52	206	8739
Rangoon .....	49	445	216	59	109	2719
Singapore .....	225	2132	7044	177	1597	16386
Bangkok .....	366	449	8439	453	234	28252
French-Indochina ..	607	358	2616	365	730	2670
Macao .....	4	—	—	—	—	—
Philippines .....	296	480	4162	621	803	16248
Japan .....	353	459	11276	340	2058	7081
U. S. A. ....	9	—	12153	182	1761	3353
Australia .....	11	133	561	32	261	368
China .....	255	1352	835	403	758	46677
Honolulu .....	21	—	517	89	97	743
Canada .....	4	73	150	132	318	121
Total .....	2485	11839	60996	3122	12573	138497

No. of Aircraft arriving: 220

No. of Aircraft departing: 218

### Hongkong Aviation Returns for July 1950

	CIVIL AIRCRAFT		PASSENGERS		MAIL (Kilograms)		FREIGHT (Kilograms)	
	Arrivals	Departures	In	Out	In	Out	In	Out
Monthly averages for 1948	595	—	9,592	9,382	13,726¼	13,649¼	42,920	100,986
Monthly averages for 1949	1,062	1,057.5	12,246	13,312	13,842	14,576	237,690	272,656
1950:								
January .....	253	250	3,151	4,012	11,196	11,746	43,350	59,200
February .....	197	203	2,804	2,934	9,761	10,666	35,942	59,869
March .....	256	250	3,290	3,819	11,310	13,273	43,941	63,164
April .....	238	239	2,669	3,952	10,200	13,303	30,860	80,834
May .....	220	225	2,770	4,298	11,113	13,746	48,859	93,438
June .....	201	202	2,290	3,236	9,871	13,093	42,925	106,287
July .....	220	218	2,485	3,122	11,839	12,573	60,996	138,497

Total aircraft for Jan.-July 1950 in and out: 3,172; total passengers: 44,632; total mail; 163,690 kgs.; total freight: 908.1 metric tons.



## Philippine Import Control

An import control law, signed by the President of the Philippines on May 2, establishes new and sharply reduced quota bases for imports and a nationality criterion for importers, and limits imports in accordance with an exchange budget determined by foreign exchange availabilities. An Import Control Board is created, consisting of three members representing the Central Bank, businessmen, and consumers. It is to set policies on quotas for individual items and to direct the administration of the law through an Import Control Administration.

All imports must be licensed and the bulk is brought under quota, in place of the earlier system under which only luxuries and nonessentials were controlled. The new quota for each item is based on the annual average value imported in the three years, 1946-48, with reductions from the average made according to the following classification, the maximum reduction in each class to be applied when domestic production is adequate: (1) prime imports not produced locally in sufficient quantity, to be reduced no more than 40 per cent, and to be admitted to the greatest extent possible until domestic production is sufficient; (2) essentials to health and well-being, reduced 40 to 60 per cent; (3) nonessentials associated with a rising living standard, reduced 60 to 80 per cent; (4) luxuries, reduced 80 to 90 per cent and to be discouraged completely. The commodities in each category are listed in Appendices to the law.

Goods not subject to quota are (1) raw materials for the manufacture of prime necessities or for dollar-saving or dollar-earning industries, not available domestically in sufficient quantities; (2) articles intended solely for the personal use of the importer; provided no foreign exchange is used; (3) goods obtained by exchange or bartered against Philippine products, except luxury goods and locally-produced nonessentials (the Board will determine what Philippine products may not be bartered); (4) goods imported under the price control law; (5) goods for rent or royalty shall not be remitted abroad; (6) supplies for the armed forces of the Philippines and U.S. articles for government hospitals, educational, charitable, and religious use. Commodities not included in the Appendices or specifically exempted are subject to license and to ceilings not greater than the c.i.f. values of the same items imported in the year 1948. Imports not subject to quota may be brought under quantitative control when domestic production is sufficient and if it is deemed necessary to protect domestic industry.

Those who imported a particular commodity during the period 1946-48 are classified as "new importers." To "new importers" will be allocated 30 per cent of the total import quota in the fiscal year 1950-51, 40 per cent in 1951-52, and 50 per cent in 1952-53. These portions will be allocated according to the financial capacity and business standing of the importers. "New

## Hongkong Shipping Report for July 1950.

Flag	Arrivals				Departures			
	Ocean Steamers				Ocean Steamers			
	No.	Tonnage	Cargo	Passengers	No.	Tonnage	Cargo	Passengers
British	133	315,416	139,938	2,428	127	291,187	84,615	3,516
America	24	130,693	12,925	121	23	125,873	13,853	674
Burmese	1	2,769	2,300	1	1	2,769	1,500	—
Chinese	13	17,155	14,792	—	14	6,885	7,285	—
Danish	16	49,340	20,235	184	16	45,474	5,801	26
Dutch	9	46,831	6,032	637	9	45,132	3,392	1,241
French	2	6,760	493	—	3	13,134	2,348	—
Norwegian	33	76,077	30,091	242	36	90,443	30,525	1,738
Panamanian	28	51,160	40,563	1	30	50,507	36,339	5
Philippine	13	19,341	5,496	7	10	11,740	4,037	61
Portuguese	2	1,622	622	2	1	111	91	—
Swedish	6	16,608	5,040	8	5	13,886	1,419	11
U. S. S. R.	2	3,428	3,508	—	2	2,804	500	—
Total								
Foreign	149	423,784	142,097	1,203	150	408,758	107,090	3,756
Total	282	739,200	282,035	3,631	277	699,945	191,705	7,272

Flag	Arrivals				Departures			
	River Steamers				River Steamers			
	No.	Tonnage	Cargo	Passengers	No.	Tonnage	Cargo	Passengers
British	246	205,725	7,339	63,498	246	205,725	5,565	76,022
Chinese	44	4,308	1,511	—	43	4,362	1,763	—
Portuguese	2	784	4	16	—	—	—	—
Total								
Foreign	46	5,092	1,515	16	43	4,362	1,763	—
Total	292	210,817	8,854	63,514	289	210,087	7,328	76,022

## HONGKONG COMMERCIAL CARGO

For January-July, 1950.

1950	Ocean Vessels		River Vessels	
	Discharged	Loaded	Discharged	Loaded
January .. .. .	443,678	145,863	8,783	14,652
February .. . . .	282,001	123,112	6,912	9,175
March .. . . .	331,242	216,248	7,754	14,155
April .. . . .	342,507	176,001	9,876	7,037
May .. . . .	361,934	179,246	12,876	10,666
June .. . . .	281,884	159,442	8,285	5,539
July .. . . .	282,035	191,705	8,854	7,328
Jan./July 1950 .. . . .	2,325,281	1,191,617	63,240	68,552

Total ocean cargo Jan./July 1950: 3,516,898 tons; total river cargo: 131,792 tons; grand total: 3,648,690 tons.

## Monthly averages for 1947, 1948 and 1949:

		1947	1948	1949
Ocean cargo	in .. . . .	187,552	193,416	272,418
" "	out .. . . .	71,047	87,849	128,034
River cargo	in .. . . .	7,483	9,042	8,291
" "	out .. . . .	7,369	7,456	10,404

## Highest and lowest cargo figures for 1949 and 1948 (in tons):

		1949	1948
Highest discharged	.. . . .	377,034 in Dec.	241,574 in March
" loaded	.. . . .	158,697 in Sept.	122,684 in Dec.
Lowest discharged	.. . . .	179,805 in Feb.	138,922 in Nov.
" loaded	.. . . .	76,461 in Feb.	57,988 in Oct.



importers" must be Filipino citizens or juridical entities at least 60 per cent Filipino-owned. It is provided that nothing in the Act shall abridge the rights of U.S. citizens under the 1946 Executive Agreement between the two countries. (Article X-4 of the Agreement states that if the President of the United States determines that the Philippine Government "is in any manner discriminating against citizens of the United States . . ." he shall have the right to suspend the whole or any portion of this Agreement.) This is taken to mean that for the time being, at least, U.S. citizens will be accepted as "new importers." "Old importers" will receive the balance of the quota and such part of the allocation as is not taken up by "new importers." The allocation among "old importers" will be proportionate to their average imports in 1946-48. No single importer will receive more than 30 per cent of the quota unless this limitation is contrary to the public interest.

The Central Bank Monetary Board will inform the Import Control Board of the amount of foreign exchange available for imports during a period. No import license may be issued by the Import Control Administration when the value of the import exceeds the balance of the total foreign exchange available for that period as certified by the Central Bank. When all applications cannot be covered by the exchange available, proportionate reductions will be made of all applications.

The present law supersedes the Import Control Act of December 2, 1949, and supplements the exchange control regulations announced since publication of Central Bank Circular No. 20 of December 9, 1949 which placed restrictions on foreign exchange transactions.

The Philippine Government has stated that the object of the controls is to conserve foreign exchange reserves and encourage domestic industry. Total net foreign exchange holdings of the Central Bank and private banks fell by US\$150 million in 1949; they increased only US\$10 million between December 8, 1949 and May 13, 1950, despite the controls established last December.

### HONGKONG JUNKS & LAUNCHES IN JULY 1950. Foreign Trade conducted by Junks & Launches of 60 registered tons & under JUNKS

	No. of Vessels		Reg. Tonnage of Vessels		Dead Weight Tonnage of Cargo		No. of Passengers	
	Inward	Outward	Inward	Outward	Inward	Outward	Inward	Outward
July 1950	895	925	99,577	108,450	30,347	11,349	584	1,387
Total	895	925	99,577	108,450	30,347	11,349	584	1,387
Previous month	742	805	83,045	88,058	27,589	6,735	292	652
	153	120	16,532	20,392	2,758	4,614	292	735
LAUNCHES								
July 1950	164	163	4,980	4,756	1,005	628	—	—
Total	164	163	4,980	4,756	1,005	628	—	—
Previous month	131	140	5,253	5,441	1,315	191	—	—
	33	23	273	685	310	437	—	—
Total Vessels entered & cleared			June 1950	1,818	181,797	N.R. Tons		
" " "			July 1950	2,147	217,763			
				329	35,966			
Total Cargo discharged & loaded			June 1950	35,830	D.W. Tons			
" " "			July 1950	43,329				
				7,499				

Jan.-July 1950:

Total Vessels entered & cleared: 9,312 of 935,157 N.R. Tons

Total Cargo discharged & loaded: 217,783 D.W. Tons

### Local Trade conducted by Junks & Launches of 60 registered tons & under JUNKS

	No. of Vessels		Reg. Tonnage of Vessels		Dead Weight Tonnage of Cargo		No. of Passengers	
	Inward	Outward	Inward	Outward	Inward	Outward	Inward	Outward
July 1950	879	871	37,654	34,751	9,571	6,176	9	9
Total	879	871	37,654	34,751	9,571	6,176	9	9
Previous month	919	910	35,281	35,851	11,391	5,779	74	36
	40	39	2,373	1,000	1,820	397	65	25
LAUNCHES								
July 1950	460	460	12,345	12,396	212	259	29,620	28,331
Total	460	460	12,345	12,396	212	259	29,620	28,331
Previous month	397	387	11,177	11,253	419	317	30,729	31,144
	81	73	1,168	1,143	207	58	1,109	2,813
Total Vessels entered & cleared			June 1950		2,595	93,562 N.R. Tons		
" " "			July 1950		2,670	97,146		
					75	3,584		
Total Cargo discharged & loaded			June 1950		16,218	D.W. Tons		
" " "			July 1950		17,906			
					1,688			

Jan.-July 1950:

Total Vessels entered & cleared: 18,070 of 636,330 N.R. Tons

Total Cargo discharged & loaded: 130,056 D.W. Tons

### Hongkong Shipping Returns

For January-July, 1950.

	Ocean Steamers Tonnage		River Steamers Tonnage		Ocean Passengers		River Passengers	
	In	Out	In	Out	In	Out	In	Out
Monthly averages 1948	659,582	651,394	122,834	123,338	23,583	19,547	37,529	29,769
" " 1949	824,239	828,696	163,345	168,147	21,952	21,564	48,496	52,620
1950								
January	831,555	788,243	218,465	215,032	8,247	10,484	50,567	47,990
February	718,120	754,561	195,137	195,883	6,291	8,570	38,690	44,919
March	775,341	776,536	237,532	238,504	74,089	16,408	66,125	50,015
April	794,740	822,546	204,580	206,368	4,408	8,130	78,176	61,298
May	894,312	855,552	252,397	247,517	4,247	7,403	57,168	60,491
June	796,902	833,941	197,655	196,611	4,778	7,570	52,673	53,501
July	739,200	699,945	210,817	210,087	3,631	7,272	63,514	76,022
Jun./July 1950	5,550,170	5,531,324	1,516,583	1,510,003	105,691	65,837	406,913	394,236

Total ocean steamer tonnage for Jan./July 1950: 11,081,494; total river tonnage: 3,026,586; grand total 14,108,080 tons.

Total ocean passengers: 171,528; total river passengers: 801,149; grand total: 972,677.